

**COMMITTEE ON THE WELFARE OF
SCHEDULED CASTES AND
SCHEDULED TRIBES
(1992-93)**

**(TENTH LOK SABHA)
SIXTEENTH REPORT**

ON

**MINISTRY OF FINANCE (DEPARTMENT OF
ECONOMIC AFFAIRS—BANKING DIVISION)**

**Reservations for and Employment of Scheduled Castes and
Scheduled Tribes in State Bank of India and Credit Facilities
Provided by the Bank to Scheduled Castes and Scheduled
Tribes**



Presented to Lok Sabha on _____

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THE WELFARE OF SCHEDULED CASTES & SCHEDULED TRIBES
OF STATE BANK OF INDIA

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APPENDIX

COMMITTEE ON THE WELFARE OF SCHEDULED CASTES AND
SCHEDULED TRIBES (1992-93)

Shri K. Pradhani — *Chairman*

MEMBERS
Lok Sabha

2. Shri Mahendra Baitha
3. Shri Birbal
4. Shri Ram Prakash Chaudhary
5. Shri Anadi Charan Das
6. Shri N. Dennis
7. Shri Ramchandra Dome
8. Shri A. Jayamohan
9. Shri Kalka Das
10. Shri Ram Kapse
11. Dr. Ravi Mallu
12. Shri Kariya Munda
13. Shri Rup Chand Murmu
14. Shri Shashi Prakash
15. Shri V. Sreenivasa Prasad
16. Shri Mangal Ram Premi
17. Shri Ram Singh
18. Shri Naranbhai Jamlabhai Rathava
19. Shri K.D. Sultanpuri
20. Kumari Vimla Verma

Rajya Sabha

21. Dr. Z. A. Ahmad
22. Shri Prakash Yashwant Ambedkar
23. Shri Sunil Basu Ray
24. Shri Anantray Devshanker Dave
25. Dr. Faguni Ram
26. Shrimati Kailashpati
27. Shri G. Y. Krishnan
28. Shri Radhakishan Malaviya
29. Shri Subramanian Swamy
30. Shri Nyodek Yonggam

(iv)

Secretariat

1. Shri G.L. Batra, *Additional Secretary*
2. Shri S.C. Gupta, *Joint Secretary*
3. Shri N.M. Jain, *Deputy Secretary*
4. Shri Babu Ram, *Under Secretary*

INTRODUCTION

I, the Chairman, Committee on the Welfare of Scheduled Castes and Scheduled Tribes, having been authorised by the Committee to submit the Report on their behalf, present this Sixteenth Report (Tenth Lok Sabha) on the Ministry of Finance (Deptt. of Economic Affairs—Banking Division)—Reservations for and employment of Scheduled Castes and Scheduled Tribes in State Bank of India and credit facilities provided by the Bank to Scheduled Castes and Scheduled Tribes.

2. The Committee took the evidence of the representatives of the Ministry of Finance (Department of Economic Affairs—Banking Division) and State Bank of India on 27.7.92, 28.7.92 and 24.9.92. The Committee wish to express their thanks to the officers of the Ministry of Finance (Department of Economic Affairs—Banking Division) and State Bank of India for placing before the Committee material and information the Committee wanted in connection with the examination of the subject.

3. The Report was considered and adopted by the Committee on 6 January, 1993.

4. A summary of conclusions/recommendations contained in the Report is appended (Appendix).

NEW DELHI;
February, 1993

Magha, 1914 (Saka)

K. PRADHANI,
Chairman,
Committee on the Welfare of
Scheduled Castes and
Scheduled Tribes.

CHAPTER I

REPRESENTATION ON THE BOARD OF DIRECTORS

(a) Management and Organisational Set Up

State Bank of India has a four tier Organisational set up viz. Board of Directors, Chairman, Managing Directors and Deputy Managing Directors in a hierarchical relationship with each other. The Deputy Managing Directors are supported by Chief General Managers and General Managers having management control, who in turn, are supported by the Deputy General Managers and Assistant General Managers for operational control.

1.2 State Bank of India is 97.6% owned by the Reserve Bank of India with the remaining equity held by the public and is India's largest Bank. State Bank of India is essentially a branch based organisation with over 8500 retail outlets spread throughout the country and 45 offices located abroad. The structure of the bank has, therefore, been adopted to manage the size and growth of a large network, large personnel and a diverse business in a competitive environment.

1.3 The Bank has 13 local Head Offices and 53 Zonal Offices. There are 210 Regional Offices of which 13 are functioning from a place other than Zonal Offices. The State Bank of India has got 8582 Branches and 45 Foreign Offices.

1.4 The area of each local Head Office generally coincides with the geographical area of a state. In some cases, Local Head Office cover more than one state.

1.5 The branches in a Circle are grouped in modules under the control of a Zonal Office. Each module consists of 150-200 branches and there are usually three to five modules in each Circle under the control of each Local Head Office.

(b) Board of Directors

1.6 It has been stated:

Present composition of the Board of Directors of State Bank of India shows that two persons belonging to SC/ST have been appointed on the Board of Directors. The Committee on the Welfare of Scheduled Castes and Scheduled Tribes in their Sixth Report on Punjab National Bank (10th Lok Sabha) recommended for making provision of atleast one SC/ST Director on the Board of all nationalised banks, if necessary, by amending Nationalised Bank Scheme, 1969.

1.7 The Committee wanted to know it as to whether any statutory provision has been made in the State Bank of India Act, providing for reservation of SC/ST on the Board of State Bank of India and if not, what were the difficulties in making such provision.

1.8 The Committee were informed by SBI that such a statutory provision in the case of SBI was not considered necessary as it was administratively possible to appoint atleast one member on the Board of the State Bank of India belonging to the Scheduled Castes and Scheduled Tribes. In fact, at present, there were two members who belong to SC or ST community.

1.9 The Committee have been informed that it is administratively possible to appoint atleast one member on the Board of the State Bank of India and also that there are two members belonging to Scheduled Castes and Scheduled Tribes on the Board of State Bank of India.

1.10 The Committee appreciate that the State Bank of India is having two Members belonging to Scheduled Castes and Scheduled Tribes on its Board. The Committee expect that the State Bank of India authorities will follow the same practice in future appointments also in view of the fact that it is administratively possible for them to do so.

CHAPTER II
RESERVATIONS IN SERVICES

(a) Reservations

The percentage of reservations provided to Scheduled Castes/Scheduled Tribes in Direct recruitment in officers' grade is 15% and 7½% respectively.

The reservation at clerical and subordinate level is provided as prescribed by the Government of India which varies from State to State depending on the population of Scheduled Castes/Scheduled Tribes.

The reservation in promotion for SCs/STs from clerk to officer grade is also 15% and 7½% respectively.

(b) Recruitment

2.2 The following table gives the picture regarding recruitment made during the last 3½ years in SBI which was furnished to the Committee in a Post-evidence Reply:

Year	Category of posts occurred	Total No. of Vacancies occurred	No. of vacancies reserved for SCs			No. of vacancies reserved for STs			No. Ap-SCs pointed of STs	No. vacancies carried for-SCs	vacancies ward STs	
			B/F	Re- from served	Total	B/F	Re- from served	Total				
			previ- ous year	during the year		previ- ous year	during the year					
1989	Officers	78	25	16	42	14	2	16	34	3	8	13
	Clerical	3733	789	297	1086	659	277	936	1019	887	303	230
	Subordinate	2258	70	311	381	243	99	242	487	360	49	95
1990	Officers	372	8	59	67	13	29	42	55	32	12	10
	Clerical	1236	303	178	481	230	157	387	197	136	302	261
	Subordinate	2020	49	268	317	95	116	211	442	74	47	150
1991	Officers	352	12	50	62	10	25	35	59	33	3	2
	Clerical	1857	302	183	485	261	146	407	236	181	301	257
	Subordinate	1123	47	177	224	150	66	216	252	42	23	174
1992	Officers	0	3	0	3	2	0	2	0	0	3	2
	Clerical	1063	301	155	456	257	125	382	232	154	235	228
	Subordinate	856	23	126	149	174	69	243	180	134	21	127

Remarks: 1989—Officers—The vacancies reserved for SCs/STs during 1989 (Col. No. 5 & 9 respectively) were actually 12 & 6 i.e. 15% and 7½% of 78. As actual availability of STs was less, the three year old backlog of 4 ST vacancies was exchanged with SCs. Hence vacancies reserved for SC during the year have been shown to have increased by 4 i.e. 12+4=16 and those for STs have been shown to have decreased by 4 i.e. 6-4=2.

(c) Staff Strength and Shortfalls

2.3 Table below gives the staff strength as on 30.6.1992:—

Category	Total	SC	ST	Percentage		Shortfall	
				SC	ST	SC	ST
Officer	59468	5110	1461	8.6	2.5	3	2
Clerical	115583	15758	6703	13.6	5.8	235	228
Sub-Staff (other than sweepers)	42723	8011	2211	18.8	5.2	21	127
Sweepers	6925	4649	553	67.1	4.4		
Total:	224699	33528	10708	14.9	4.8		

2.4 Comments regarding shortfall (i.e. backlog) are given below:

Officer Cadre

Backlog of 3 SC and 2 ST vacancies pertaining to JMGS-I in Officer' cadre will be cleared by recruitment of probationary officers for which indent has already been placed on the Central Recruitment Board.

Clerical Cadre

During 1992, the bank conducted a special drive for recruitment of SCs/ STs. For this purpose, SC/ST candidates were taken from the waiting lists maintained by BSRBs from the previous recruitment. In this manner, 116 SC and 118 ST candidates were appointed in the clerical cadre. In addition to this, during the period 1.1.1992 to 30.6.1992, 116 SC candidates and 26 ST candidates were appointed under the normal recruitment process of the bank. Thus the total picture of backlog in the clerical cadre as on 30.6.1992 would appear as under:—

Backlog as on 31.12.91		Add current re- servation made from 1.1.92 to 30.6.92 (incl. the recruitment made in special drive)		Total reservation		Total recruitment made during 1.1.92 to 30.6.92 including that made under the special drive		Backlog as on 30.6.92	
SC	ST	SC	ST	SC	ST	SC	ST	SC	ST
301	257	155	125	456	382	232	154	235*	228

*(Although considering the total recruitment of 232 SCs between 1.1.92 to 30.6.92, the backlog should have been 224 instead of 235 but the 11 SCs recruited in Bengal (6) and Chandigarh (5) Circles could not be set off against the reserved vacancies of other circles consisting of other States. Hence, backlog carried forward is more).

It will thus be seen that the backlog as on 31.12.91 was substantially reduced owing to the recruitment of SC/ST made during the first half of 1992.

Steps Taken to clear the Backlog

2.5 The following steps have been taken to clear the backlog:—

- (i) Special recruitment drives were conducted during 1989, 1990, 1992.
- (ii) Pre-recruitment training programmes are being conducted.
- (iii) After 31.12.91 the indents placed on BSRBs take into consideration the full backlog subject to reserved vacancies being limited to 50%. While no time limit can be fixed for clearance of backlog as it will depend upon the question of fresh recruitment, the above steps are yielding the desired results.

2.6 The Committee drew the attention of the SBI to the shortfall of 174 STs in sub-staff (other than sweepers) and desired to know the reasons for this shortfall and when was it proposed to make up this shortfall, it was replied:—

“A special drive for recruitment of SC/ST candidates in the subordinates cadre was also carried out in 1992 in which 22 SC and 115 ST candidates were appointed. In addition to the above, during the period 1.1.92 to 30.6.92, 158 SC candidates and 19 ST candidates were appointed in the normal recruitment process of the bank. Thus the total picture of backlog in the subordinate cadre as on 30.6.92 would appear as under:—

Backlog as on 31.12.92		Add current reservation made on recruitment during 1.1.92 to 30.6.92 (including the recruitment made in special drive)		Total reservation		Total recruitment made during 1.1.92 to 30.6.92 (including that made in the special drives)		Backlog as on 30.6.92	
SC	ST	SC	ST	SC	ST	SC	ST	SC	ST
23	174	126	69	14*	24*	180	134	21*	127*

*Considering the total recruitment made during the period from 1.1.92 to 30.6.92 i.e. 180 SCs and 134 STs, the final backlog as on 30.6.92 should have been SC Nil and ST 109. The existing backlog is however due to the fact that 52 SCs and 18 STs recruitment excess in some Circles cannot be set off against the vacancies of other Circles.

2.7 During the course of evidence, the Committee desired to know the reasons for the existence of shortfalls.

They were informed:—

“Your question about shortfall is, why it is going up. The reason for this, is, recruitment to the clerical cadre which is a feeder category is done at the zonal level and as the adequate ST candidates are not available in the feeder category, the backlog is going up.”

2.8 The Committee have been informed as regards the Special Recruitment Drive that such recruitment of SC/ST cannot exceed 50% of the total number of vacancies to be filled up.

2.9 During the course of evidence, the Committee further desired to know the steps taken to fill up the ST posts during the Special Recruitment Drive both for feeder cadres and officers cadres and also whether a Special Recruitment Drive exclusively for STs had been made during 1990 and 1991. The witness replied in affirmative and expressed the view that one thing required was to give STs Intensive Training.

2.10 As regards the backlog and the Special Recruitment Drive during 1989, the witness informed the Committee:—

“In 1989, since we were to clear the backlog of the reserved vacancies, we had a special recruitment drive. The Govt. instructions were that irrespective of the vacancies, we could recruit the people to clear the backlog. In the normal recruitment also we have to have reservation.”

2.11 The witness further elaborated:

“There was special dispensation and the instructions issued by the Government are that in case, if it is necessary extra recruitment can be done subject to adjustment being made in the subsequent years. I am talking of 1989 instructions.”

2.12 During the evidence in reply to a query by the Committee as to how long it was going to take the SBI to clear the backlogs and also as to whether it was not possible to fill the backlog vacancies in one year by holding a Special Recruitment Drive by the S.B.I. The representative of SBI explained before the Committee:

“In 1989, we almost brought it to the nil point. But subsequently we got a clarification from the Government that we have to make reservation for recruitment made in Special Drive. We will make all endeavours to see that this backlog is cleared as early as possible.”

2.13 The representative of the SBI committed:

“We will devise various ways to reduce it.”

2.14 During the evidence the witness gave the following commitment:

“Sir, the total backlog of SCs and STs will be made up subsequently during this year. I am talking of all the zones. We will give priority to this point.”

2.15 It was again stressed by the witness:

“They should try to make up the entire backlog so that we can start on a fresh slate.”

2.16 During the course of evidence the Committee desired to know as to whether the Bank was applying the normal rule that ‘reservations of vacancies in any recruitment could not exceed 50% of the total vacancies’ to the Special Recruitment Drive also or making cent-percent recruitment in the Special Recruitment Drive, the witness informed:

“50% rule will still apply.”

2.17 On being pointed out by the Committee that this rule should not apply/had been applied to the Special Recruitment Drive, the witness elaborated:

“As I submitted earlier, in 1989, the banks were asked to carry out a special recruitment drive and at that time we had suspended the rule of 50% and also the number of vacancies. We went even beyond the vacancies and we said all these cases will be adjusted against the future vacancies which arise. Subsequently, the Department of Personnel told us that 50% applies to these recruitments also. That is how backlog developed.”

2.18 The position has been further clarified by the Ministry of Finance in a post-evidence reply dated 23.11.92 stating that “the ceiling of 50% is applicable for clearing the backlog vacancies accrued prior to 1.4.89 *i.e.*, the date on which the ban on dereservation was imposed.”

2.19 It has further been stated that ‘the ceiling of 50% will, however, not be applicable if the backlog vacancies have accrued after 1.4.1989, *viz.*, the distinct group of backlog.’

2.20 The Committee note with deep concern the existing backlog of 235 Scheduled Castes and 238 Scheduled Tribes in the clerical cadres which is also a feeder cadre for promotion to the officers cadre as on 30.6.1992 in SBI despite the three special recruitment drives conducted by the Bank during 1989, 1990 & 1991. The Backlog also exists in the Officers cadre as well as subordinate cadre. As regards the Backlogs in respect of ST in the feeder cadre the Committee concur with the views of Bank expressed during evidence that ‘One thing required was to give STs intensive Training.’

2.20 The Committee have been further informed that during the Special Recruitment Drive in 1989, the SBI brought the backlogs almost to the nil point because the Government instructions at that time were that irrespective of the vacancies, the Bank could recruit the people to clear the backlog in SC/ST categories of posts and the Bank went beyond the 50% rule. These vacancies were to be adjusted against the vacancies arising in the future.

2.22 The Committee recommend to SBI that the backlogs existing in all the categories of posts should be liquidated within one year on top priority basis as has been assured by the representative of the Ministry of Finance during the course of evidence and for the purpose, various ways and means should be devised by the SBI so that the Bank can start with reservations on a fresh slate. The Committee while very seriously viewing the backlog of Scheduled Tribes in the clerical cadre recommend that the State Bank of India should make proper and comprehensive arrangements for the intensive training of Scheduled Tribe categories *i.e.* for the pre-recruitment, pre-promotion, in-service as well as the post-promotion training, as has been admitted to by the representative of the State Bank of India during the course of evidence. For this purpose the Committee stressed that if necessary, Special Recruitment Drive exclusively for Scheduled Tribes should also be undertaken by the State Bank of India.

(d) Promotions

2.23 In a written note, the SBI has stated:—

“All promotions in SBI are on selection basis. In respect of promotions upto MMGC ITI, Administrative details like:

- (i) minimum service eligibility criteria;
 - (ii) age ceiling;
 - (iii) number of attempts permitted, if restricted;
 - (iv) weightage for different components of selection process; and
 - (v) number of employees to be called for written test/interview.
- are discussed with the Federation of our employees' 'Unions and Officers' associations. Based on these discussions, administrative details of promotion policy are modified, if necessary.

2.24 On being probed by the Committee as to whether the procedure affects the promotion prospects of SCs/STs, it has been stated:—

“In the Bank, reservations in favour of SCs/STs apply to promotions from clerical cadre to Officer JMGC 1, *i.e.* the lowest rung of the officers' cadre. Although administrative details are discussed with the

Federations of employees unions and Officers' associations, due relaxations/concessions are given to SC/ST employees in the following criteria in the aforesaid promotions:

- i) Relaxation in minimum service criteria to SC/ ST employees (subject to a minimum service of 5 years) to such an extent that SC/ST candidates equal to three times the number of reserved vacancies are available. This ratio has since been revised to 1:5.
- ii) Age ceiling is relaxed by 5 years.
- iii) SC/ST candidates are permitted one chance more than the general candidates.

These relaxations/concessions have been made available by the Bank on its own although the reservation policy as laid down by the Govt. does not provide for any special dispensation in favour of SCs/STs in the matter of eligibility criteria etc. for promotions.

- iv) Besides, relaxation in written test marks to the extent of 5% and in interview marks to the extent of is given to SC/ST candidates. If sufficient number of SC/ST candidates are still not available, relaxation in excess of the above percentage is also permitted subject to the condition that the minimum qualifying marks do not go below 40%."

2.25 During the course of evidence in reply to a query by the Committee as to the relaxation given for SCs and STs by the SBI in promotions, the witness elaborated:

"As far as clerical staff is concerned, there is relaxation of age limit for 5 years, exemption of fee for SC/ST, interviews are held in separate sessions and they have relaxations in standards in written tests and interview and if they are called for the interview they are eligible for reimbursement."

2.26 In reply to a further query by the Committee from the State Bank of India to elaborate the additional relaxations given by the SBI to SCs and STs other than the concessions given to SCs and STs as per the Government of India guidelines, the Witness elaborated:

"The State Bank has been following what has been decided for the banking sector which is more liberal. The Government of India have given some directions to all the banks. In the case of the State Bank, we have followed this and liberalised a little more."

2.27 The reply was substantiated further:

"In the case of promotion from clerical to Officer (JMG) Cadre, whatever the guidelines may be we have made relaxation to the extent of 5% and regarding interview

marks, we have relaxed to the extent of 10% in the case of SC & ST candidates. But sufficient number of candidates are still not available. In that case, the relaxation in excess of the percentage will be permitted, subject to the condition that the minimum marks should not go below 40%. In North-East, we have not been able to get candidates even at this level. So we have to still go beyond this level. That is inhouse promotion”.

2.28 The Witness, however, during the course of evidence submitted further:

“We keep a minimum service of five years in the case of SC and ST candidates and 9 years for general candidates. We fix the service in such a manner where we will get five times the number of candidates against the number of vacancies for the written test. For SC/ST candidates the ratio is 1:6 and for general candidates it is 1:5”.

2.29 The Committee desired to know as to whether the complaints have been received from SC/ST employees for following this procedure, it has been further submitted that:

“No complaints have been received from SC/ST employees regarding the procedure adopted for setting promotion policies. However the welfare associations of SC/ST employees in the Bank have represented that they may also be associated with such discussions/negotiations. This has, however, not been possible to accede to for the following reasons:

(i) In terms of the Govt. guidelines, recognition cannot be conferred on welfare associations of SC/STs.

(ii) In terms of the Industrial Disputes Act, Banks can enter into negotiations only with the recognised trade unions.

(iii) In terms of the provisions contained in para 6.5 (XI) of the IBA brochure on reservations for SCs/STs in posts in Public Sector Banks, the Banks is obliged to associate from its side a representative of SC/ST or their Liasion Officer while negotiating fresh agreements regarding promotions etc. with the employees union, to ensure that the agreements/settlements are not detrimental to the interests of SC/ST”.

(e) Promotions made during the last three years

2.30 The following table indicating total number of persons promoted from clerical to JMGS in State Bank of India during the last 3 years and SC/ST among them has been furnished to the Committee:

Category	Year	Total No. of empl. promoted	No of		%age of		Shortfall	
			SCs	STs	SCs	STs	SCs	STs
Clerical to JMGS I	1989	2580	915	203	35.5	7.9	234	539
	1990	964	242	145	25.1	15.0	162	468
	1991	902	204	140	20.6	14.1	148	375

2.31 In reply to a question by the Committee as to the reasons for such a huge shortfall in promotions, it has been submitted by the State Bank of India that the figures of shortfall for the years 1989, 1990 and 1991 show, the backlog is being constantly brought down. This is primarily the result of the concerted efforts on the part of the Bank to promote as many SC & ST candidates as possible. With this end in view, reservations are being made to the extent of 50% of the total vacancies in a year and relaxed standards are being applied in assessing their fitness for promotion. The backlog which existed is basically owing to the following reasons:

1. In Madras, Delhi, Hyderabad and Chandigarh Circles, backlog exists in the ST Category. In promotions from clerical to officers' cadre, reservation has to be made at the rate of 7.5% for STs uniformly all over India whereas the percentage reservation for recruitment to the clerical, i.e. feeder cadre in the states covered by these Circles is much less than 7.5% e.g. in Kerala percentage for ST representation in clerical cadre is only one and in Punjab and Chandigarh the percentage of reservation for clerical recruitment in ST is nil. Thus adequate number of ST candidates, are not available in the feeder cadres. This is the reason for backlog in the ST category.

2. In Madhya Pradesh, i.e. the State covered by Banks' Bhopal Circle, the promotions had been stayed by a court order since 1988. The stay order has recently been lifted in Aug. 1992. The promotion process will be started shortly.

3. In a few circles, viz. Delhi, Hyderabad, Patna & Chandigarh no promotion exercises have been carried out during 1990 & 1991 owing to non-availability of vacancies. As and when promotions take place in these Circles, the backlogs are likely to be reduced.

4. As will be observed from the above table, even though a sizeable number of SC candidates have been promoted during the years 1989 to 1991, the backlog in respect of them has not come down proportionately as most of them were adjusted against the ST backlog which was three year old and which would have otherwise lapsed but for such exchange.

5. Backlog also exists in promotions to Trainee Officers' cadre at the All India level despite lowering the standards to the minimum acceptable levels (40% against 60 to 65% for the last such general category candidate) adequate number of ST candidates do not become available in this All India Promotion examination.

2.32 On the question for giving further relaxations to SCs and STs by the State Bank of India in eligibility criteria such as experience, qualification or otherwise with a view to ensure that adequate number of SCs and STs are available for the promotional posts, it was further submitted by the State Bank of India in the post evidence reply that to increase the representation of SC/ST in the Officers' cadre, the following steps have been taken:

Separate service eligibility criteria are being fixed for general, SC and ST candidates so that candidates in the ratio 1:3 are available for each category. The ratio has recently been raised to 1:5.

Relaxation in marks is given to SC/ST candidates initially to the extent of 5%. All SC/ST persons who secure 40% marks or more are being considered for promotion subject to availability of vacancies reserved for them. As against this, the general candidates are generally securing place in the select list with 60% or more marks.

Although in terms of para 9.2(b)(v) & (vi) of the Brochure on reservation for SCs and STs in service (VIIth edition) in the promotion based on selection method from clerical to the Officers' cadre, the rule of exchange & lapsing is to be the reserved vacancies for which suitable SC/ST candidates do not become available are carried forward to these subsequent promotion years when the rule of exchange & lapsing is to the minimum extent possible. However, in such a situation and in the absence of adequate number in the feeder cadre belong to SC or ST category backlog cannot be avoided, but the measures of carry forward for three promotion years is in their interest only.

Relaxation in service eligibility subject to a minimum service of 5 years is given to SC/ST employees.

Pre-promotional training programmes are being regularly conducted for SC/ST employees.

Total backlog and current reservations subject to a maximum of 50% of total vacancies are being reserved in all future promotions.

2.33 The Committee note with great concern that there had been huge shortfall in promotions of SCs and STs during all the 3 years from 1989 to 1991 in State Bank of India for promotions from clerks to JMGSi, the reasons for which have been explained in detail to the Committee. The Committee have been told that in Madhya Pradesh, the promotion process will be starting shortly and in a few circles viz. Delhi, Hyderabad, Chandigarh and Patna, no promotion exercise could be carried out during 1990 & 1991 owing to non-availability of vacancies.

2.34 The Committee find that certain relaxations such as fixing separate eligibility criteria, period of service, relaxation in pass percentages, etc. being given to SC/ST candidates. The Committee while appreciating these steps being taken to remove shortfall in promotions recommend that in Madhya Pradesh, the promotion process should be started without any further loss of time and in Delhi, Hyderabad, Chandigarh and Patna circles, as soon as possible the vacancies should be identified to effect promotions. They further desire that State Bank of India should ensure that the huge shortfalls existing in the promotions of SC/ST candidates from clerks to JMGSi are removed within a stipulated framework of time.

CHAPTER III

PROCEDURAL MATTERS

(a) Review of Progress Report on Implementation of Reservation policy by the Boards of Banks

All public sector banks and financial institutions including State Bank of India have since been advised to place the progress report on implementation of reservation policy before their respective Boards of Directors for review once in a year. This arrangement takes care of the implementation of reservation policy in Banks. A copy of the said Report is also sent to the Government. The same is scrutinised by the Banking Division and adverse features, if any, are brought to the notice of the banks for appropriate action.

3.2 The attention of the Ministry of Finance (Banking Division) was drawn to the 49th Report of the Committee (8th Lok Sabha) on the Welfare of Scheduled Castes and Scheduled Tribes, wherein they recommended that certain aspects relating to implementation of Reservation Policy, like training, redressal of grievances of SC/ST employees, performance of Liaison Officer etc, could easily be reviewed on half-yearly basis and the same could be extremely beneficial for SC/ST employees of the Bank, as had been conceded by the representative of the Ministry of Finance during evidence at that time.

3.3 In the light of above, when the Comments of the Ministry were asked over the necessity of half-yearly review of implementation of reservation policy by the Board of State Bank of India, it was stated:

“The commitment made in the Action Taken Statement dated 25.8.89 was in respect of Dena Bank only and not for the banking industry as a whole. It is respectfully submitted that the rosters in the public sector banks including State Bank of India are closed at the end of the year and only then the full picture regarding implementation of the reservation policy for the year becomes available. A meaningful review of the implementation of the reservation policy by the Board of Directors, therefore, becomes possible only after the rosters have been closed. It is, therefore, submitted that the system of reviewing the implementation of reservation policy by the bank once a year serves the purpose and may not be changed.”

3.4 The Committee feel that the reply given by the Ministry of Finance (Banking Division) in respect of the necessity of the half-yearly review of implementation of Reservation Policy by the State Bank of India is self-contradictory and unacceptable.

3.5 The Committee are strongly of the view that if the review of implementation of Reservation Policy in Dena Bank could be made on half

yearly basis, then there is no reason why a similar half yearly review in the State Bank of India or for that matter the Banking Industry as a whole could not be made. The Committee accordingly recommend that the Ministry of Finance should make a uniform policy in respect of review of implementation of Reservation Policy for the Banking Industry as a whole including State Bank of India and in their opinion such a review should be made on half-yearly basis as it would enable the Board to take corrective action during the course of the year, if required.

(b) Transfers and Postings

3.6 It has been stated:

“There are no special incentives for staff posted in rural/semi-urban areas. However, officers transferred to centres identified as ‘difficult’ are allowed the facility of residential accommodation for their families at a place of choice.”

3.7 To a query by the Committee as to whether the State Bank of India was avoiding the posting of Scheduled Caste officers to those areas where untouchability still prevails, it has been explained that the transfers and postings are made keeping in view the administrative requirements and exigencies of the Bank. However, if there is any specific complaint from SC/ST officials of harrassment on account of untouchability being in practice at a particular centre, the same is attended to sympathetically.

3.8 The Committee observe that the transfer and postings in State Bank of India are made keeping in view the administrative requirements and exigencies of the Bank and any specific complaint from SC/ST officials of harrassment on account of untouchability being in practice at a particular centre is attended to sympathetically.

3.9 The Committee feel that sympathetic consideration of the complaints of harrassment from Scheduled Caste/Scheduled Tribes Officials on account of untouchability being in practice at a particular centre is not enough and it is essential that the State Bank of India should strive to ensure that SC/ST officers are not posted or transferred to such centres.

(c) Posting Abroad

3.10 The number of officers posted abroad and the number of SC/ST officers out of them for the past 3 years are given below:—

Year	Total No. of Officers	SC	ST
1989	46	—	—
1990	64	1	—
1991	66	—	2

3.11 The Committee note with utter dismay that out of a total number of 176 officer posted abroad in the foreign branches of SBI during the year 1989, 1990 and 1991, only 3 officers belonged to Scheduled Caste and Scheduled Tribe categories. The Committee strongly recommend that while making postings abroad, State Bank of India should ensure that a fair proportion should be given to the Officers belonging to SC/ST categories so that they to have fair opportunities of exposure to the functioning of the foreign branches of the Bank.

(d) Discussions/Negotiations with SC/ST Employees' Association regarding Parameters of Promotions

3.12 It has been stated that in each of the 13 Circles of State Bank of India there are associations formed for the welfare of SC/ST employees, it is stated that associations formed on the basis of castes are not accorded recognition.

3.13 In reply to a query by the Committee as to whether the bank and its circle offices did hold periodical discussions to ventilate their grievances and records of such discussions were maintained, it was stated:

“In the Central Office of the bank, the Dy. Managing Director (Personnel) holds quarterly meetings with the representatives of SC/ST employees' Welfare Associations. Record notes of such meetings are maintained and follow up action taken wherever warranted. In addition, the Liaison Officer at the Central Office is available at any mutually convenient day to discuss immediate matters with the representatives of the SC/ST Employees' Welfare Associations or individual employees. At the Circle/Zonal Office, such meetings are being held quite frequently between the Asstt. General Managers (Personnel) and the representatives of the local SC/ST employees' Welfare Associations.”

3.14 During the course of evidence the Committee made a series of queries, such as the nature of contract between State Bank of India and general employees Unions regarding the promotions, reaction of SC and ST employees to the contract and also as to whether the SC and ST Employees' Associations accepted the contract, the witness submitted:

“As regards promotion, the only discussion that we have had with the Union was about the parameters for promotion. The composition of marks in the interviews and so on were the parameters that we have discussed with them.”

3.15 It has also been clarified that the procedure of discussing the administrative details with the recognised federations is not allowed to affect adversely the promotion prospects of SCs/STs. To ensure this, a representative of SC/ST or the Liaison Officer for SC/ST is associated in discussions/negotiations with the recognised unions/federations.

3.16 In reply to a further query as to whether there was any complaints from the SC/ST Employees' Welfare Associations about the parameters which had been decided by the Bank after having discussion with the

General Union and also in case there were no complaints, whether the Board had initiated any discussion with the SC/ST Employees' Welfare Associations about the parameters for promotions, the witness clarified:—

“No. Because, as I said, once we lay down the policy on general discussion with the recognised Union of all employees, then, we do not discuss parameters individually with other Unions.”

3.17 During the course of evidence, the Committee desired to know as to whether it was not the duty of the Bank to speak to the associations before it came to any decision regarding parameters of promotions. The Witness submitted:—

“They are generally part of the General Unions”.

3.18 The Committee enquired further whether the Bank might sound SC/ST Employees' Welfare Association also before negotiating those parameters to have some information from them. The witness submitted:—

“The parameters are brought at the preliminary stage. We talk to all employees and give a relaxation in terms of number of marks to SC/ST modification there.”

3.19 The Committee, during the course of evidence, invited response of the SBI to the suggestion as to have a dialogue with SC/ST Employees' Welfare Associations even prior to speaking to the General Unions or coming to a decision regarding the parameters of promotions in the Bank, the witness responded:

“We can talk to them on structural basis. They can represent what modifications they want.”

3.20 The Committee have been informed by SBI during evidence that parameters for promotions are discussed with the recognised union of all the employees' and for that matter no separate discussions are held with the SC/ST Employees' Associations and these Associations are not a party to the discussions. It has been clarified further that a representative of SC/ST or Liaison Officer for SC/ST is associated in discussions/negotiations regarding administrative details of parameters of promotions with the recognised Unions/Federations of the employees.

3.21 The Committee feel that the existing arrangement in the SBI regarding holding discussions/negotiations with the recognised Unions/Federations of the employees regarding parameters of promotions is insufficient. The Committee recommend that before discussing/negotiating the administrative details regarding parameters of promotions with the recognised Unions/Federations, the management should have a dialogue with the SC/ST Employees' Associations on structural points which have been agreed to by the representative of the SBI too during the course of evidence.

CHAPTER IV
ORGANISATIONAL MATTERS

(a) SC/ST Cell

It is stated that since May, 1983, in the Personnel Administration Department of State Bank of India, Central Office, a cell to deal with implementation of reservation policy for SCs/STs has been set up. It consists of a Deputy Chief Officer, a Desk Officer, a clerk and a Stenographer. In this cell, no person belonging to SC/ST is presently posted.

4.2 When asked to explain the reasons for not setting up cells at Regional Offices, it has been stated that SC/ST Cells do exist at the Central Office of the Bank, its local Head Offices and all the Zonal Offices. Cells have also since been created at the 13 Regional Offices which are located at stations other than their respective Zonal Offices.

4.3 The Committee note with satisfaction that in SBI Scheduled Caste/Scheduled Tribe Cells have since been created at 13 Regional Offices which are located at stations other than their respective Zonal Offices when the Committee took up the matter with the State Bank of India. The Committee recommend the SBI to ensure that these Scheduled Caste/Scheduled Tribe Cells are suitably manned to ensure their smooth functioning and the Central Office Call should also have SC/ST representation.

(b) In-depth Examination of the SBI by the Banking Division

4.4 In the preliminary material it has been stated that the officers of Banking Division have started in-depth study on implementation of reservation policy by the public sector banks/financial institutions. This in-depth examination generally concentrates on verification of maintenance of rosters, placing of indents on Banking Service Recruitment Boards/Employment Exchanges, Complaint Register, etc.

4.5 In the post evidence reply to a question as to what were the findings of the in-depth examination of the State Bank of India by the officials of the Banking Division in respect of proper implementation of reservation policy by the bank, it was stated:

“As recommended by the Parliamentary Committee on the Welfare of Scheduled Castes & Scheduled Tribes vide their 26th Report (8th Lok Sabha) in respect of Canara Bank, the Banking Division in the Department of Economic Affairs of Ministry of Finance has started in-depth examination on the implementation of the reservation policy by the public sector banks/financial institutions. The Banking Division is undertaking such study at the rate of one bank financial institution per quarter. So far such studies have been carried out in respect of 16 banks financial institutions. Such study in respect of SBI has not so far been carried out.”

4.6 The Committee note that so far in-depth examination on the implementation of the reservation policy in the Public Sector banks/ financial institutions has been conducted by the Ministry of Finance, Department of Economic Affairs—Banking Division in respect of 16 banks/ financial institutions as recommended by this Committee in 1986. The Committee are surprised to note that so far such study in respect of SBI which is a foremost and leading bank has not been conducted by Banking Division. They feel that the 'in-depth examination' should have been rather started with the SBI. The Committee, therefore, recommend that the Ministry of Finance (Department of Economic Affairs—Banking Division) should conduct in-depth examination of SBI in the near future on top priority basis.

(c) Shortcomings observed by the Board at the time of Annual Review of Implementation of Reservation Policy

4.7 Asked to explain the shortcomings observed by the Board at the time of annual review of implementation of reservation policy and also the action being taken to remove the shortcomings pointed out by the Board, it has been submitted that the Board has not observed any shortcomings. However, the Directors made some observations/suggestions in the meetings held on 25.10.89 and 17.5.90.

4.8 The Committee have observed from the extracts from minutes of the meeting that certain memoranda on SC/ST matters are considered but no specific mention was made about the items discussed.

4.9 On being questioned by the Committee as to whether the Board of State Bank of India ever discussed backlog position of SCs/STs in the services and if so, what were the instructions issued on this, it was replied that no specific comments about the backlog were made.

4.10 The committee regret to observe that the Board of Directors made no comments about the backlog position in State Bank of India in respect of Scheduled Castes and Scheduled Tribes at the time of Annual Review of the implementation of the Reservation Policy by the State Bank of India wherein certain memoranda on Scheduled Caste/Scheduled Tribe matters were considered.

4.11 The Committee feel that the 'Backlog' by itself constitutes an extremely important item when the agenda on Scheduled Caste/Scheduled Tribe matters is to be considered. The Committee therefore expect the Board of Directors to pay its utmost attention on this item and also to make specific comments/observations so far as backlog position is concerned.

(d) Need for Intensive Training to Liaison Officers by the SBI

4.12 To give proper effect to the reservations prescribed for SCs/STs in direct recruitment and promotions, rosters are maintained at various controlling offices of the Bank.

4.13 The Liaison Officers nominated at the various levels in the Bank conduct annual inspection of rosters maintained in the respective offices under their charge. Records of the inspections made are kept and remedial action taken to remove the defects.

4.14 To a post evidence query as to whether it was a fact that rosters were not regularly examined by Liaison Officers at the Central Offices, Local Head Office and Zonal Offices and further as to when did the Ministry come to know about these discrepancies and what steps did the Ministry take to get the figures and mistakes rectified, it was submitted:—

“The discrepancies in the rosters maintained at Bhubaneswar LHO were detected by the Finance Ministry following the visit of the Parliamentary Committee. The Circle was formed in 1979 and the staff was not fully conversant with the provisions of reservation policy. The discrepancies, therefore, occurred due to lack of proper knowledge of the instructions regarding calculations of backlog at their end. The backlog of Bhubaneswar Circle is now being made taking into account the provisions of the reservation policy.”

4.15 During the course of evidence Managing Director of SBI stated “The Liaison Officer does the checking and gives the figures to us. We do not do any re-checking. If there is a deliberate mistake then we punish them.”

4.16 The Committee have also been informed that the Bankers' Training College of Reserve Bank of India conducts a three day workshop for the Liaison Officers of the Banks and Officers dealing with reservation matters to acquaint them with the reservation policies. The Banking Division holds a Conference of the Liaison Officers once a year and the Bank is also conducting workshops for its officials on reservation matters at various levels.

4.17 The Committee find that though the Liaison Officers in SBI annually conduct inspection of rosters maintained in the respective offices under their charge yet very serious discrepancies occur in the maintenance of the rosters for SCs and STs at various level. For an instance; one such discrepancy had been noted by the Ministry of Finance following the visit of the Parliamentary Committee to Bhubaneswar local head office of SBI.

4.18 The Committee have been further informed that Bankers' Training College of Reserve Bank of India, the Banking Division and also the SBI itself conducts training programmes for officials of the banks on reservation matters at various levels. The Committee regret to note that inspite of such comprehensive arrangements available with various bodies, the serious lapses in the maintenance of rosters are featuring frequently which is detrimental to the interests of SCs and STs. The committee recommend the SBI to take serious note of such lapses and arrange for intensive training of their Liaison Officers/Officers on reservation matters at various levels so as to equip them properly on reservation matters and also to avoid recurrence of such serious lapses in the maintenance of rosters for SCs and STs.

CHAPTER V

MEASURES TO IMPROVE REPRESENTATION OF SCs/STs IN SERVICES

(a) Pre-Recruitment & Pre-Promotional Trainings

With a view to improving the ability of SC/ST candidates to compete successfully, pre-recruitment and pre-promotional training programmes are arranged by the Bank. The duration of the pre-recruitment as well as pre-promotional training is 6 days.

5.2 Information in respect of candidates imparted training by State Bank of India is given below:—

Pre-Recruitment Training for Recruitment to:

Year	Officers Cadre		Clerical Cadre		Total	
	SC	ST	SC	ST	SC	ST
1989	4916	436	4762	2288	9678	2718
1990	2960	583	2022	801	4982	1384
1991	4042	801	3523	1260	7565	2061

Pre-Promotional Training

Year	No. of candidates imparted training for promotion from subordinate to clerical cadre.		No. of candidates imparted training for promotion from clerical to officers JMGS-I		Total No. of candidates imparted pre - promotional training	
	SC	ST	SC	ST	SC	ST
1989	392	34	2345	345	2737	379
1990	471	60	466	196	937	256
1991	511	87	1175	536	1686	623

5.3 The Committee desired to know the success ratio amongst the persons imparted pre-recruitment training as well as the pre-promotional training. In a written reply it has been stated that the information regarding the success ratio amongst the persons at pre-recruitment level trained is not available and inspite of the efforts at various levels, it has not been possible to collect the same.

5.4 It has further been stated that pre-promotional training to SC/ST employees for promotions from clerical cadre to officer JMGS-I is imparted on Circle basis and because of this reason, the number of candidates who were actually promoted out of the number of candidates given pre-promotional training is not readily available with them.

5.5 Regarding duration of training it has been explained that the period of this training cannot be enhanced owing to lack of infrastructural facilities for the purpose. Moreover, in exercise of the type, candidates can be only made aware of the nature of the questions asked and how to answer them as also how to face the Interview Board and it is not possible to upgrade their basic knowledge.

5.6 As regards the pre-promotional training, it has been stated in a post-evidence reply that the duration of the pre-promotional training programme is adequate to make the employees aware of the type of questions which they may have to face in the written test and interview.

5.7 The Committee have been informed in a post-evidence reply that SBI is also conducting post-promotion training programmes exclusively for SC/ST officers immediately after their appointment as officers with a view to enabling them to acquire necessary job knowledge and skills.

5.8 The Committee conclude that the information regarding the success ratio amongst the persons imparted pre-recruitment training, particularly in respect of SC/ST candidates is not being monitored in the information system in vogue at present for want of which, it is difficult to ascertain the positive impact of such training on SC and ST candidates. In their opinion the whole exercise is meaningless if the end result is not known. The Committee, therefore, recommend to the Ministry of Finance that such an information in respect of pre-recruitment training should be duly maintained so that the success ratio, reasons for poor performance and remedial measures are co-related and follow up measures are formulated. They also recommend that SBI should make it a regular feature to analyse the data relating to the SC/ST persons imparted pre-promotion training to SCs and STs as well so as to ascertain the efficiency of training programme.

5.9 The Committee further consider the present duration of six days for pre-recruitment/pre-promotion training as insufficient. The Committee are unable to agree with the argument advanced by the Ministry of Finance in their reply that in exercise of this type, candidates can be only made aware of the nature of the questions asked and how to face the Interview Board and that it is not possible to upgrade their basic knowledge. The Committee feel that the criterion for increasing the duration of these training should be the social backwardness of the SC/ST candidates rather than covering the curricula within 6 days. The Committee find that the backlog of vacancies in reservation for SC/ST has not been wiped off due to non-availability of adequate number of SC/ST candidates who are unable to qualify in the recruitment examination. This is apparently on account of short duration of pre-recruitment training which is imparted to the SC/ST candidates only for the duration of six days. The Committee, therefore, strongly recommend that the present duration of pre-recruitment training should be increased from six days to one month so as to equip the SC/ST candidates in a better

way for qualifying in the recruitment examination conducted by the Banking Service Recruitment Boards. They further recommend that the present duration of the pre-promotion training programme should also be suitably increased.

5.10 The Committee would like to place on record their appreciation for the post-promotion training being provided to SCs and STs in the SBI and hope that the good work in this direction will continue to be maintained.

(b) In-Service Training

5.11 Table below gives the number of employees given in-service training during 1990-91 and 1991-92 and SC/ST amongst them:—

Year	Cadre	Total No. of employees who underwent training	Out of these No. of	
			SC	ST
1990-91	Officers	25,941	1335	538
	Clerical	23,096	1955	746
1991-92	Officers	25,011	2229	600
	Clerical	20,457	2330	957

5.12 The Committee pointed out that the number of SC/ST employees was insufficient in comparison to the general category employees and desired to know the reasons therefor, it was submitted:

“As would be seen from the table, the promotion of the SC and ST candidates being provided in-service training has increased sharply during the year 1991-92 as compared to 1990-91. However, there still appears to be considerable scope for further improving the intake of the SC/ST employees to the in-service training programmes. The Central Office of the Bank has already advised all its local Head Offices on 3rd April, 1992 to provide adequate opportunities to the SC/ST employees for attending institutional training programmes conducted at Staff Training Centres and Apex Colleges/Institutions. Instructions to this effect were earlier issued on 7th October, 1991. It is expected that the in-service training of SC/ST employees of the bank will pick up considerably over the period.”

5.13 The Committee regret to note that the number of SC and ST officers and clerks imparted in-service training had been very low during the last two years in SBI despite the advice by the Central Office of SBI to all its local Head Offices on 7th October, 1991 and 3rd April, 1992 to provide adequate opportunities to the SC/ST employees for attending institutional training programmes conducted at Staff Training Centres and Apex Colleges/Institutions. The Committee expect the SBI authorities to make all out efforts to ensure that there is sufficient proportion of SC

and ST officers amongst the officers as well as clerks to the imparted in-service training so that this training equips them in large numbers to deal with the in-service matters in a better way.

(c) Perspective Manpower Planning

5.14 In reply to a question by the Committee as to whether the SBI has chalked out any perspective plan for the recruitment of SCs and STs in different cadres for the next five years and also the steps taken or proposed to be taken to ensure their timely recruitment, it has been stated in post-evidence reply dated September 23, 1992 that:

“The bank has not chalked out any perspective plan for the recruitment of SCs and STs in different cadres for the next five years. However, yearly recruitment plans are drawn up based on the number of vacancies arising during the year. Govt. letter in regard to drawing up of a perspective plan has been received recently and suitable action in this regard is being initiated. Since the reservations for SCs and STs are linked to the total recruitment/promotions, it is expected that the backlog by and large will be cleared over a period of three years. As it is the backlog in recruitment to the clerical cadre mainly exists in four of the thirteen circles viz. Hyderabad, Bhopal, Patna and Bhubaneswar.”

5.15 Again in a post-evidence reply dated 23.11.92 the Committee have been informed by the SBI that:

“The recruitment of SCs/STs in the Bank is made as per the extent Govt. guidelines on the subject. In the light of the recent guidelines issued by the Govt. of India *vide* their letter No. 5/3/92-SCT (C) dated 6.8.92 we have initiated the process of preparing a perspective plan for the recruitment of SCs and STs in various cadres during the next five years keeping in view the RBI guidelines in regard to staff growth, business considerations, etc.”

5.16 The Committee have been informed that the SBI have initiated the process of preparing a perspective plan for the recruitment of SCs and STs in various cadres during the next five years as per the extent Government guidelines dated 6.8.1992 on the subject.

5.17 The Committee while appreciating the Government guidelines on the subject recommend that, based on the same analogy, the Ministry of Finance should issue guidelines to the other Financial Institutions, as well under their administrative control, so that they also prepare a perspective plan for the recruitment of SCs and STs in various cadres for the next five years in order to ensure that the number of vacancies falling due are recorded in time and also to avoid recurrence of shortfalls and backlog in the recruitment of SCs and STs in various cadres.

(d) Dereservation

5.18 As regards dereservation, it has been stated:

“With effect from 1.4.1989, dereservation of vacancies in recruitment to subordinate and clerical cadres has been banned. In promotions, dereservation is permissible in terms of the extent guidelines i.e. in the event of non-availability of SC and ST candidates by dereserving it in accordance with the laid down procedure. State Bank of India has dereserved 40 posts of SCs and 69 posts of ST vacancies in promotions from clerical to officers' cadre during 1991.”

5.19 The Committee pointed as to why suitable measures were not taken before hand to avoid such a situation. The Committee have been informed that the following steps are being taken by the bank for promotion of adequate number of SC/ST employees and for avoidance of dereservation in the Trainee Officers' channel:—

- (i) Relaxation in age ceiling by 5 years is given to SC/ST candidates. For them, age ceiling is 40 years as compared to 35 years for general candidates.
- (ii) They are given 5 chances as against 4 chances for general candidates. This is being increased to 6 chances for SC/ST candidates and 5 for general candidates from 1993 onwards.
- (iii) Pre-promotional training programmes are arranged for SC/ST employees who are eligible to appear for the Trainee Officers' test.
- (iv) Relaxation of marks in written test and interview are given to SC/ST candidates. The qualifying marks are lowered to the bare minimum level of 40%.

5.20 As stated above, no vacancies reserved for SC/ST have been allowed to lapse. The availability of ST candidates will improve with the passage of time to such an extent that dereservation will not have to be resorted to.

5.21 The Committee note that 40 posts of Scheduled Caste and 69 posts of Scheduled Tribe vacancies in promotions from clerical to officers' cadre have been dereserved in SBI during 1991 which in their opinion is an extremely large number. One of the reasons stated for resorting to the dereservation of the ST vacancies has been stated to be the low availability of ST Candidates in the feeder cadre viz. clerical cadre.

5.22 The Committee feel that such a large number of vacancies of Scheduled Castes and Scheduled Tribes are allowed to lapse over the years due to lack of adequate measures in planning of SC/ST employees. The

Committee therefore, recommend that timely and suitable measures should be taken before hand of ST candidates with the required qualifications are available with the Bank in the clerical cadre *i.e.* feeder cadre for promotions to JMG I so that the need to take recourse to exchange ST vacancies may not arise in future.

CHAPTER VI

OTHER MATTERS

(a) Reasons for BSRBs not being able to Recruit and Allocate Requisite Number of SC/ST Candidates

It has been found that BSRBs were not able to supply as many candidates to SBI against vacancies in clerical cadre as are indented for SC/ST candidates.

6.2 During the course of evidence, the Committee desired to know the problem in providing sufficient number of suitable candidates by the BSRBs. They were informed by the Witness:

“We had asked for 457 candidates. They have provided 236. Since the number is so small we again went through the waiting list, lowered the standard and again we have taken 185. So, we are now taking 421 by reducing the standard.”

6.3 The Committee desired to know as to whether SBI/Ministry of Finance analysed the reasons for BSRBs not being able to recruit and allocate requisite number of candidates to SBI and if so, what steps had been taken for the recruitment of adequate number of SCs/STs.

6.4 The Committee have been informed in a post evidence reply:

“While, prior to 1988, there had been shortfall in the supply of candidates to public sector banks against their indents for clerical cadre and officer cadre posts, the situation has since improved. A study carried out by this Division on the basis of the information received from the BSRBs are by and large meeting the requirements of the Banks to the maximum extent possible. The BSRBs, however, find it difficult to meet the indents for candidates for appointment against the skilled posts, viz., Stenographers, Typists, etc. in clerical cadre posts and specialist posts in officers' cadre viz. Security Officer, in Chartered Accountants, Computer Programmes, etc. even for these posts, with the grouping of posts the backlog is being cleared by the banks and the position has improved. Serious difficulties are arising when the specialist posts are in higher grades and thus cannot be grouped with the posts of Probationary Officers.”

6.5 The Committee find that the BSRBs are finding it difficult to meet the indents for SC/ST candidates for appointment against the skilled posts, viz., Stenographers, Typists etc. in Clerical cadre posts and Specialist Posts in Officers' cadre, viz. Security Officers, Chartered Accountants, Computer Programmers etc., in case of which, even after grouping these posts with the posts of Probationary Officers serious difficulties are arising when these

specialists posts are in the higher grades and thus cannot be grouped with the posts of Probationary Officers. The Committee recommend the BSRBs to have a constant Liaison with the apex institutions in the country which are providing necessary trainings for the Chartered Accountancy, Computer Programming etc. so as to make sure that the BSRBs are ready with the sufficient number of SC/ST candidates in hand to cope up with the demand for vacancies of such posts by the Banks including State Bank of India.

(b) False Caste Certificates

6.6 It has been stated that 25 instances of securing employment on the basis of false caste certificates have come to the notice of the Bank.

6.7 To a specific question by the Committee as to whether the services of all these persons had been terminated and if not, the reasons therefor, it was informed that from 1988 to 1991 twenty five cases of alleged false caste certificates were detected and were reported earlier. However, the total number of such cases so far reported in the Bank including the 25 cases has been 109. Action was taken in all these cases immediately after these were reported/brought to the knowledge of the Bank.

6.8 The present position of the cases is as given below:

Name of Circle	No. of cases detected/ reported	Verifica- tion of certificates pending with Distt. authorities	Cases closed/ certificate found in order	Employ- ees dis- missed	Employees obtained stay from Court
Bombay (Covering States of Maharashtra, Goa)	1	1	—	—	—
Bengal (West Bengal & Sikkim)	1	1	—	—	—
Bhubaneswar (Orissa)	5	1	2	2	—
Bangalore (Karnataka)	12	10*	—	—	2
Madras (T.N. & Kerala)	90	59	—	—	31
TOTAL	109	72	2	2	33

* Includes one case in which a case has been filed by Police.

6.9 Out of the 109 alleged cases of false caste certificates, in 71 cases the reports on the certificates sent to district authorities for verification are awaited. Matters are being pursued by the Bank with the District authorities with a view to expedite their reports. In two cases after

investigation, the certificates have been found to be correct and hence no further action is to be taken. In two cases, employees have been dismissed after conclusion of the disciplinary cases and in one instance police case has been filed against the employee. In 33 cases the employees have gone to Court and obtained stay order against any action by the bank.

6.10 It may, therefore, be observed that initiation of stringent action against such cases of reported false caste certificate has been delayed because of non-receipt of verification report from the District authorities (72 cases) or on account of being restrained by the courts (33 cases). In the remaining 4 cases, Bank has already taken final action as explained above.

6.11 The Committee observe that the initiation of stringent action against those who secured employment in the State Bank of India by the production of false caste certificate has been delayed in 72 cases out of a total of 109 cases owing to the non-receipt of verification reports from the district authorities. However, the matters are being pursued by the Bank with the District authorities with a view to expedite their reports. The Committee desire that State Bank of India authorities to pursue vigorously the matter with District authorities so that exemplary punishment to all those who secured employment in the Bank by production of false caste certificates can be awarded by the Bank.

PART II—CREDIT FACILITIES

CHAPTER VII

LENDING TO SCs AND STs UNDER DIFFERENT SCHEMES

Under the credit policy of the Government of India, priority sector lending is one of the areas where the aim is to channelise the increasing flow of credit, in particular, to the weaker sections of the society. Banks have been required to allocate 40% of their net bank credit to the priority sector and the advances to weaker sections are to reach a level of 10% of the total credit. 'Weaker Section' forms an important part of the priority sector. Within the priority sector, at present the weaker section comprise of:

- (1) Small and marginal farmers, tenant farmers, share croppers, landless labourers;
- (2) Artisans and village and cottage industries;
- (3) IRDP Beneficiaries;
- (4) Persons belonging to SC/ST communities;
- (5) DRI beneficiaries; and
- (6) SEPUP beneficiaries.

(a) Performance of SBI and Public Sector Banks in Lending to SCs/STs under DRI Scheme

7.2 Under the differential rate of interest scheme (DRI), the banks extend credit to weaker sections of the Society at concessional rate of interest for various purpose such as seeds, fertilizers, raw material, as provided under IRDP Schemes. But people are reluctant to go for DRI Loans as there is no element of subsidy in the loan amount whereas there is 50% subsidy in the project cost under the IRDP Scheme. Information on credit extended to SCs/STs beneficiaries (which forms a significant

segment of weaker section of Society) under DRI scheme for each of the last three years as informed by the Bank is as under:

Period	(No. of A/Cs in lakhs) (Amount in crore of Rupees)			
	Total Disbursements under DRI Scheme		Of which Disbursements made to SC/ST beneficiaries	
	A/Cs	Amount	A/Cs	Amount
April'88 to March'89	6.10	87.23	2.25 (36.9%)	37.44 (42.9%)
April'89 to March'90	4.53	61.03	1.94 (42.8%)	33.30 (54.6%)
April'90 to March'91	2.86	34.79	1.38 (48.3%)	16.14 (46.4%)

7.3 During the course of evidence the Committee desired to know the reasons as to why the disbursement to SCs/STs under DRI Scheme have come down from 37.44 crores and 33.40 crores during the years 1988-89 and 1989-90 respectively to 16.14 crores in the year 1990-91.

7.4 The witness submitted that:

“Under DRI Scheme there is no subsidy element. So, there are no takers. The interest is only 4% but the people want subsidy because it is more attractive to them.”

7.5 The position in regard to DRI Scheme advances during the last three years showing the aggregate advances, the percentage of DRI advances to aggregate advances and the reasons for not achieving the targets laid down, is stated to be as under:

The position with regard to State Bank of India:

(Rs. in crores)

DRI Scheme	1989-90	1990-91	1991-92
Level of advances	155.83	108.53	99.81
Percentage of DRI advances to net Bank credit	0.75%	0.44%	0.34%

7.6 In the post evidence reply, it has been submitted:

“As per information received from RBI data relating to public sector Banks’ advances under the DRI Scheme and the percentage of DRI advances of the period ended March 1990, 1991 and 1992 are furnished below:

(Amt. in crores) (Provisional)

Advances under DRI ending			Total advances at the end of previous year			Percentage of DRI Adv. to total Adv. at the end of prev. year		
March			March			March		
1990	1991	1992	1989	1990	1991	1990	1991	1992
703.59	620.84	727.24	79136.70	91205.35	106098.74	0.9	0.7	0.7”

7.7 The Committee further observed that as per revised guidelines from government of India in December, 1978 in regard to DRI Scheme, the banks should lend under the scheme a minimum of 1% of their aggregate advances as at the end of the previous year.

7.8 The main reasons attributed by banks for not achieving the stipulated 1% target under the DRI Scheme were stated to be the following:

- (a) The availability of loan under more attractive subsidy linked schemes like IRDP, SEEU, SEPUP, SUME etc.
- (b) Branches finding it difficult to identify enough number of eligible borrowers under the scheme.
- (c) Write off and relief given to the beneficiaries under the ARDR Scheme, 1990 resulting in decline in the level of DRI Advances.
- (d) The ceiling on loan amount at Rs. 6,500/- per beneficiary fixed under the scheme.
- (e) The lack of physical targets under the DRI Scheme makes it difficult for the branch functionaries to keep track of its progress. As the stipulated bench mark is 1% of the overall net bank credit, it is difficult to monitor the position at the branch level:

7.9 It has been stated that the Banks are taking steps to improve their performance under the scheme.

7.10 The Committee note that in SBI the amount of DRI Advances to SCs and STs came down from 37.44 crores and 33.40 crores during the years 1988-89 and 1989-90, respectively to only 16.14 crores in the year 1990-91. The minimum percentage of DRI Advances to net bank credit which had been fixed at 1% of the bank aggregate credit advances as at the end of the previous year, as per revised guidelines from the Govt. of India in December, 1978; also could not be achieved by SBI during all these years. This percentage of 1% had not been achieved collectively by the Public Sector Banks as well as during the last three years i.e. 1990, 1991 and 1992 for which many reasons such as difficulty in identifying enough number of eligible borrowers, ceiling on loan amount at Rs. 6,500 for beneficiary, lack of physical targets etc., have been attributed.

7.11 The Committee recommend that the Ministry of Finance should take all the necessary steps to ensure that the performance of SBI and Public Sector Banks is improved under the scheme. They further recommend that the ceiling of loan amount at Rs. 6,500/- per beneficiary under DRI should also be revised.

(b) Performance of SBI and Other Public Sector Banks in Lending to SCs and STs Under IRDP, SEEUY and SEPUP Schemes

7.12 The following special concessions to SC/ST are given under IRDP, SEEUY and SEPUP Schemes having component of institutional credit:

- (1) Under IRDP, the number of beneficiaries as well as the quantum of credit in favour of SC/ST should be atleast 50%.
- (2) Under SEEUY, a target of 30% of number of applications in favour of SC/ST has been included from the year 1986-87.
- (3) Under SEPUP, the share of SC/ST beneficiaries would be 30% both number-wise as well as amount-wise.

7.13 The targets prescribed for SCs/STs under the IRDP, SEPUP and SEEUY Schemes and the performance of SBI in achieving these targets is stated to be as under:—

Financial Year	IRDP			SEPUP			SEEUY			SUME		
	Total Amount	Share of SC/ST	% Share of SC/ST	Total Amount	Share of SC/ST	% Share of SC/ST	Total Amount	Share of SC/ST	% Share of SC/ST	Total Amount	Share of SC/ST	% Share of SC/ST
1988-89	152.77	43.81	28.68	27.55	6.94	25.19	92.49	16.79	18.15	0	0	0
1989-90	154.90	53.38	34.46	23.98	5.46	22.77	53.04	11.59	21.85	0	0	0
1990-91	172.61	53.38	30.93	14.71	3.10	21.07	47.21	11.15	23.62	N.A.	N.A.	N.A.

Targets prescribed for SCs/STs under above Schemes:

- IRDP — At least 50% of the assisted families should be drawn from the SC/ST.
- The main reason for the shortfall in sanction to SC/ST is that the sufficient number of applications from this category of borrowers are not being sponsored by the Block Development Officers.
- SEPUP — 30% of the amount and accounts should be for SC/ST.
- Due to non receipt of adequate number of applications from the SC/ST candidates, targets could not be met.
- SEEUY — 30% of the amount and accounts should be for SC/ST.
- Non receipt of adequate loan applications from the sponsored agency is the main reason for not meeting the targets.
- SUME — The Scheme was started on 15th June, 1990. No targets for SC/ST have been fixed under the Scheme. However, SC/ST are to be given weightage in proportion to their population share in the total urban population for providing assistance under the scheme. SEPUP has been merged with SUME from the year 1992-93.

7.14 Data regarding performance of banks in implementation of IRDP, SEPUP and SEEUY has been furnished to the Committee, in a post evidence reply, as follows:

“As per information received from RBI data on implementation of IRDP (Integrated Rural Development Programme) by banks during 1987-88 to 1990-91 is furnished below:

(Amount in crores)

Period	No. of beneficiaries to be assisted Target	No. of beneficiaries assisted Achievement	Term credit disbursed	Subsidy utilised
1987-88	3963510	4247296	1175.35	727.44
1988-89	3193546	3772212	1231.62	768.47
1989-90	2908897	3351373	1220.53	765.43
1990-91	2370575	2897775	1190.03	809.93
1991-92	2251519	2517223	1133.27	800.99”

7.15 It may be observed from the above data that the total advances under the programme 1988-89 have gone up compared to the preceding year. However, the advances under the programme have shown slightly declining trend during the subsequent years mainly due to the substantial reduction in the physical target fixed by Government of India and corresponding reduction in the number of beneficiaries assisted by banks. The trend continued during 1991-92 for the same reason as 25.17 lakhs beneficiaries received IRDP assistance (Physical target: 22.5 lakhs) against 28.97 lakhs beneficiaries assisted during preceding year (i.e. 1990-91). The per capita bank credit flow under the programme during 1991-92, however, was higher at Rs. 4502 as against per capita credit of Rs. 4106 achieved during 1990-91, which indicates flow of higher amount of bank credit per IRDP beneficiary.

7.16 Advances sanctioned under SEEUY/SEPUP Schemes for SC/ST for the programme years 1988-89 to 1990-91 compiled from the data

as furnished by the Banks to RBI and also for the programme year 1991-92 as per the data so far furnished is as under:

(Amount in lakhs)

SEEUY (Self Employment Scheme for Educated Unemployed Youth)

Year	Loan Sanctioned		of which to SC/ST		% age of Adv. to SC/ST	
	Number	Amount	Number	Amount	Number	Amount
1988-89	149619	31189.09	16817	3187.94	11.24	10.22
1989-90	106179	22854.24	14464	3081.39	13.62	13.40
1990-91	93322	19026.48	18404	3311.94	17.58	17.40
1991-92*	42366	9203.30	6485	1377.63	15.30	14.97

* Provisional

The decline in total credit under SEEUY for the programme year 1989-90 was due to the having of physical target to 1,25,000 from 2,50,000 for the year 1988-89.

7.17 SEPUP (Self Employment Programme for Urban Poor)

Year	Loan Sanctioned		of which to SC/ST		% age of Adv. to SC/ST	
	Number	Amount	Number	Amount	Number	Amount
1988-89	332442	12821.66	60920	2187.50	18.32	17.06
1989-90	334265	12902.69	72941	2772.37	21.82	21.48
1990-91	160156	6944.06	31891	1333.47	19.91	19.20
1991-92*	98441	4632.23	17820	845.71	18.10	18.25

* Provisional.

There was a decline in terms of number of beneficiaries and the quantum of loan amount from the programme year 1990-91 as the physical target fixed was halved as only one beneficiary for every 600 population was selected as against one beneficiary for every 300 population in the previous year. The share fixed for SC/ST beneficiaries, however, continued to be 30% both number wise and amount wise. The Scheme has since been merged with SUME Scheme."

7.18 However in a post evidence query by the Committee as to why the targets prescribed for SCs/STs under the above Scheme had not been achieved in any of the years during 1988-89 to 1990-91 by the SBI, the reasons for non-achievement of targets as stated by SBI were as under:

"Non-receipt of adequate loan applications from SC/ST beneficiaries is the main reason for not meeting the targets. It may not be out of place to mention that the loan applications are sponsored by the Block Development Officers. If these applications are scrutinised at the time of initial screening then the bank would not have to send back incomplete applications to the B.D.O.

The Bank is of the view that SC/ST Development Corporations may take up a survey in their area of operations to find out the number of eligible beneficiaries and their credit absorption capacities so that instead of a general target of 30%, area specific target may be chalked out and the Bank's performance may be judged from such bench mark."

7.19 Besides this, the scheme-wise observations, as reported by RBI in regard to performance of banks were submitted to the Committee:

“IRDP: The percentage of beneficiaries belonging to SC/ST categories assisted by banks during 1988-89 and 1989-90 to the total number of families assisted was 46.4 and 46.1 respectively. The above achievement was against the sub-target of 30% fixed by the Government of India for the above period. The sub-target for SCs/STs was enhanced to 50% effective from 1990-91. In spite of the above steep increase in the target, the banks succeeded in assisting 49.91 per cent and 50.77 per cent SC/ST beneficiaries during 1990-91 and 1991-92 respectively which is quite satisfactory.

SEPUP: From the data relating to performance of banks under SEPUP in respect of SC/ST beneficiaries, it will be observed therefrom that the percentage of loan to SC/ST remain more or less same 20 during the years 1988-89 to 1990-91.”

7.20 With regard to reasons for non-achievement of target, RBI has stated that so far a SEEUY Scheme, is concerned, as per the study conducted by the RBI about achievements under the scheme, the Study revealed that in case of SC/ST category, applications only to the tune of 50% to 60% of the target fixed for them were received by the banks from the District Industrial Centres (DICs) leaving no scope for the financing bank branches to achieve the targets. Despite the low receipt, the percentage of sanction by banks to the receipt of applications was satisfactory i.e. 69%, 61% and 55% respectively for 1988-89, 1989-90 and 1990-91.

7.21 According to RBI, the low receipt of applications under the Government sponsored Schemes, mainly appear to be due to:

- (a) the psychology/inhibition by SC/ST category to take up new ventures, as in Government departments, the jobs are available to them on reservation basis for the same qualifications.
- (b) SC/ST candidates get direct assistance from the District/State level SC/ST Corporations under more liberal schemes formulated by them.
- (c) enough publicity did not appear to have been given at the grass root level by the Government agencies.

7.22 The rejection of applications appeared mainly due to the attitude by the Government agencies to achieve the targets, schemes being target oriented and sending the applications in bunches at the fag end of the year without seeing the eligibility of applicant/viability of the project.

7.23 The Committee observed with dismay that the total amount of advances made by the Banks under the schemes such as IRDP, SEPUP and SEEUY have gone down from 1988-89 to 1990-91 and the targets laid down for SCs/STs under these schemes had never been achieved in any of the years from 1988-89 to 1991 and particularly in the case of SEPUP and SEEUY Scheme achievement had been far below the targets. This position holds good for State Bank of India as well. The Committee have been informed that non-receipt of adequate loan applications from SC/ST beneficiaries was the main reason for not meeting the targets.

7.24 The Committee recommend to SBI to improve upon its performance in lending to SCs and STs under all these schemes which are very important as these are related to self-employment ventures.

7.25 The Committee also recommend that enough publicity in regard to these Schemes should be given by the Public Sector Banks/Government agencies at the grass root level to improve upon and consolidate their

performance in lending to SCs and STs under these Schemes. The Committee further recommend the Ministry of Finance to suitably take up the matter of rejection of applications with all the concerned Government agencies so that these agencies ensure that the applications are not sent to the Banks at the end of the year without proper scrutiny and further it should be specifically seen that the eligibility of applicant/viability of the project has been taken care of as has been reported to the Committee by the Reserve Bank of India.

(c) **Lead Bank Scheme**

7.26 It has been stated that the SBI has lead responsibility in 94 lead districts, majority of which are in the under-developed Himalayan and North-Eastern regions. Under the Service Area Approach Credit Plans are being formulated in the Bank's lead districts on the basis of guidelines issued by RBI.

7.27 The performance of the Bank vis-a-vis the outlay in its lead and non-lead districts during the year 1990-91 is furnished below:

(Amount in Crores of rupees)

		Agriculture		Industries		Services		Total	
		O	A	O	A	O	A	O	A
Lead Dis-		144	137	59	49	67	65	270	251
tricts			(95%)		(83%)		(97%)		(93%)
Non-Lead		894	996	319	374	264	254	1477	1624
Districts			(111%)		(117%)		(96%)		(110%)

O = Outlay

A = Achievement

7.28 During the course of evidence, the Committee enquired as to how was it that SBI has given Rs. 996 crores under agriculture for the non-lead districts and 137 crores only for lead districts and the achievement of SBI has been 95% in the lead districts whereas it was 100% in the non-lead districts, the witness explained:

"State Bank of India has lead responsibility in 94 districts. Most of which are in relatively backward regions such as Himalayan region (22 districts), North-Eastern regions (28 districts) and the tribal areas in Andhra Pradesh, Bihar, Madhya and Orissa (19 districts). The credit absorption capacity in these Regions is rather limited due to inadequacies in infrastructure, transport and communications, etc. On the other hand, State Bank of India functions as non-lead bank in areas which are relatively better developed and offer higher potential. Therefore, the Bank's performance has always been better in non-lead districts than in lead districts."

Lending by the SBI in the State of Bihar

7.29 While taking evidence of the officials of the Government of Bihar on the subject of working of Integrated Tribal Development Projects in Bihar, they represented before the Committee that the SBI people and other Banks were not very keen on advancing of loans in the State. They further stated that 72% of the loans in the State were advanced by the private parties and only 4% by the Government Institution.

7.30 The Committee invited comments of the witness in the light of the fact that the SBI was covering many districts in Bihar, too, as Lead Districts, the witness reacted:

“We will have to work it out. It is true that the credit deposit ratio is a little low; but basically we have been bringing this to the notice of the State Government authorities also. The industrial activity is not taking off in that State. There are certain large units like TELCO in Jamshedpur. But to that extent it is getting reflected in Maharashtra and not in Bihar. So the Bihar percentage looks low.”

7.31 The Committee desired that the SBI may take some action in this regard so as to ensure that SC/ST people get more credit from SBI instead of going to private people who were just exploiting them.

7.32 The Committee note that the performance of SBI in lending in its Lead Districts does not appear satisfactory when compared to lending by the SBI under various sectors in its Non-Lead Districts. Reasons advanced by SBI to the effect that Lead Districts are mostly in backward regions such as Himalayan Region, North-Eastern Region and tribal areas in Andhra Pradesh, Bihar, Madhya Pradesh and Orissa where the credit absorption capacity was limited are not convincing. The Committee feel that somewhere the SBI has failed to deliver goods completely in its Lead Districts majority of which happen to fall in the under developed Himalayan and North-Eastern regions.

7.33 Further during the course of evidence of the officials of the State Government of Bihar on the subject of Integrated Tribal Development Projects in Bihar, the Committee have learnt that the Bank including the SBI were not very keen on advancing of loans in the State of Bihar and further 75% of the loans in the State were advanced by the private parties and only 4% by the Government Institutions. The witness also accepted during the course of evidence that the credit/deposit ratio in the State of Bihar are low.

7.34 The Committee recommend the SBI to devise ways and means to consolidate upon its performance in lending under the Lead Bank Scheme under various sectors in its Lead Districts which also include Tribal areas in Andhra Pradesh, Bihar, Madhya Pradesh and Orissa and flow of credit in these Districts. The Committee further recommend the SBI to increase the flow of credit in the State of Bihar which includes Lead Districts of SBI also so as to contribute its share in the socio-economic development of the State and also to safeguard the interests of the poor masses.

(d) Educational Loans

7.35 The amount advanced under this scheme to SC/ST students and number of borrowers during each of the three years by SBI has been given as under:

Year	No. of SC/ST Students	(Rs. in lakhs)
		Amount Advanced
1987	87	7.72
1988	130	13.53
1989	151	14.34
1990	180	16.20

7.36 Asked to state the number of Scheduled Caste/Scheduled Tribe students to whom the loans were sanctioned for studies abroad alongwith maximum amount Sanctioned to them, it was stated that no SC/ST student had approached them for an educational loan for studies abroad.

7.37 The Committee desired to know as to whether it was proposed to revise the scheme to make it more attractive with special concessions for SC/ST students, the Committee have been informed by SBI that they have recently revised our Educational Loan Scheme and made it more liberal. Now, SC/ST students with pass marks in qualifying examination are eligible to take loan for non-technical/non-professional school/college education in India.

7.38 During the course of evidence the witness stated that as on June 1990 the total number of applicants for educational loans was 3501 of which SC and ST applicants were 256. It comes to 8%.

7.39 In response of a query by the Committee regarding the policy of Bank in refusing loans to these students who do not find the scholarship or stipend adequate and require more money, the witness replied:

“Stipend is normally given for meeting the fees and buying books. For a student who is not studying abroad, he does not require any loan and the stipend scales are fixed by the college authorities taking into account fees, etc.”

7.40 To a further query as whether the SBI was giving loan to a person who was already getting stipend, the witness stated that the Bank was not giving double facilities.

7.41 In a post evidence reply, it was, however, clarified by the Ministry of Finance:

“State Bank of India has reported that the educational loans are made available even to those students who are in receipt of scholarship/stipend if the amount of scholarship/stipend is insufficient to meet the cost of completing the course of study. In such cases the amount of bank loan is restricted to the shortfall between the cost of the course and the scholarship/stipend plus own funds subject to the upper ceiling as indicated below:

(a) for school/college education in India—Four times monthly income maximum Rs.30,000;

(b) for technical/professional education in India and abroad twelve time monthly income maximum Rs. 4 lakhs.”

7.42 The Committee while welcoming the revision made in the Educational Loan Scheme wherein now SC/ST students with pass marks in qualifying examination are eligible to take loan for non-technical/professional school/college education in India, note that the performance of SBI in lending to SCs and STs under the Educational Loans is not at all

satisfactory. During the course of evidence the Committee have been informed that as on June 1990, the total number of applications for educational Loans was 3501 of which, SC and ST applicants were 256 i.e. to the tune of 8% only. The Committee further note that no SC/ST student has been given loan for studies abroad.

7.43 The Committee recommend the SBI to improve upon its performance in lending under the Educational Loan Scheme. They note with regret that no SC/ST student has been given loan for studies abroad by the SBI, a leading Bank. They recommend the SBI to give wide and intensive publicity to its Educational Loan Scheme so as to ensure that it reaches the SC/ST masses.

(e) Housing Finance

7.44 RBI has issued guidelines to the commercial banks for extending housing finance to the SC/ST beneficiaries both the way of direct as well as indirect lending. The interest rate for loans upto Rs.5000/- is only 4%. For loans above Rs.5000/-, the terms and conditions as applicable to general category for availing housing finance are applicable.

7.45 The information regarding the housing Finance to SCs and STs have been furnished as under:

(Rupees in thousands)

Year	Disbursement during the year		Of which to	
	No. of A/cs	Amount	No. of A/cs	Amount
1987	11635	38595	3817	15493
1988	8503	34962	3788	15852
1989	11769	43386	3755	17204
1990	12194	38948	3076	14318

7.46 The amount of housing finance extended to SC/ST beneficiaries during 1990-91 is Rs.5.00 crores and 17,545 beneficiaries have received assistance.

7.47 Asked to explain the shortfall in number of accounts and amount disbursed to SCs/STs beneficiaries during 1990 and the reasons, therefore, it was submitted:

“The reasons for shortfall in number of accounts and amount disbursed to SC/ST beneficiaries during 1990 are that less number of applications were received for housing finance which are generally sponsored by the State Government.”

7.48 The Committee are constrained to observe that under the Housing Finance Scheme the performance of SBI in lending to the SCs and STs had not been satisfactory as the number of accounts of SCs and STs had shown a declining trend during all the years from 1987 to 1990. The Committee feel that this Scheme needs to be popularised amongst SCs and STs and

urge the SBI to take immediate steps to ensure that its performance improves under the Scheme.

(f) Small Road and Water Transport Operators

7.49 The figures of advances to Small Road and Water Transport Operators have been furnished by SBI as under:

(Rupees in thousands)

Year	Disbursement during the year		Of which to SCs/STs	
	No. of A/cs	Amount	No. of A/cs	Amount
1987	27995	829802	7080	122938
1988	30679	1052078	7436	209553
1989	38125	1481188	6779	141596
1990	22836	822214	5776	91441

7.50 To a query by the Committee as to how was it that while there had been a continuous annual increase in number of accounts and amount disbursed from 1987 to 1989 and sudden decrease during 1990 in total disbursement, in case of SC/ST, however, there had been continuous decline in the number of account and amount disbursed from 1988 to 1990, it was answered:

“Our branches were instructed to be selective in their approach while granting loans to these borrowers as the overdue in this area have mounted to a non-acceptable level. This obviously caused a declaration in the disbursal amount.”

7.51 On being asked by the Committee as to whether the SBI has received any complaints regarding shortfall in disbursing of loans to SC/ST during 1989-90 and if so, the remedial action in this regard, it was submitted:

“However no complaints were received by the Bank. Individual cases are considered on their merits.”

7.52 The Committee note that under the Scheme for ‘Small Road and Water Transport Operations’, the performance of SBI in lending to SCs and STs have shown a continuous declining trend both account-wise and amount-wise, whereas the total disbursement under this head to the borrowers of the general category as well as the accounts have been found rising from 1987 to 1990. The reason for this has been stated that ‘overdues under this scheme have amounted to a non-acceptable level causing a declaration in the disbursal amount’.

7.53 The Committee feel that the plea advanced by the SBI for low disbursal of loans under this head does not hold good so far as the SCs and STs are concerned since they form an insignificant part of the total credit

under this scheme. The Committee, therefore, recommend the SBI to improve upon its performance in lending to SCs and STs under the Scheme for 'Small Road and Water Transport Operators'.





CHAPTER VIII
OTHER MATTERS

**(a) Physical Verification of Assets & Post-Disbursal Monitoring of Loans
under IRDP**

8.1 During the course of evidence, the Committee observed that under the DRDA and the IRDP Programmes, Bank Officer (Field Officer), Veterinary Doctor and Tribal Welfare Extension Officers purchased animals and supplied the same to the beneficiaries. However at some places local purchase of animals has been allowed and the Bank Officer makes payment to the supplier of the animals in the presence of veterinary Doctor and Block Tribal Welfare Extension Officer. The Committee also pointed out that it was a common experience at such places that the animal was taken back by the suppliers by paying only a portion of the loan amount to the beneficiary. The same animal was being sold twice or thrice by the supplier in collusion with the concerned authorities. Thus, in such cases, the very purpose for which the loan has been sought for is defeated and the poor and socially vulnerable beneficiary suffers because he neither gets the animal (asset) nor the full amount of loan. Rather, later on, the entire burden of loan falls back upon him which in the absence of the animal (means of earnings), he is unable to pay and falls prey to the system.

8.2 In a post evidence reply it has been explained to the Committee as under:—

“Under IRDP the assets procured should be of standard quality, at economic prices and to the satisfaction of beneficiary. It is normally the responsibility of the District Rural Development Agency to make assets available to the beneficiaries. In order to ensure this, Purchase Committees are envisaged to be set up. The Committee should consist of the beneficiary, a representative each of the DRDA, the financing bank, the concerned Department, and public representative of SCs/STs. The proposal Form for the insurance under the above scheme shall be completed by the Bank Representatives of the Purchase Committee at the time of purchase of the animal.

This form should be submitted to DRDA/Bank alongwith the Health Certificate issued by the Veterinary Officer/VAS. All such proposals collected by the bank are sent to the Insurance Company alongwith Veterinary Health Certificate. Based on the recommendations of the Study Group set up under the Chairmanship of Shri R.K. Kaul, the then Deputy Governor, RBI and Chairman, NABARD, for streamlining the existing arrangements for flow of credit and supply

of inputs and assets of IRDP beneficiaries, the arrangements of Purchase Committee for purchase of animals was discontinued in 22 blocks selected for cash disbursement on experimental basis, with effect from May, 1986. This was done with a view that the beneficiary be allowed on his own to select an animal of his choice and make payment to the supplier against the cash receipt (under system of cash disbursement) as the rural borrower can himself assess the quality of an animal and buy the best available at suitable price according to his choice. However, the animals acquired by the beneficiary should be verified by the field staff of the bank within a period of 15 days. The above system of disbursement of IRDP assistance in cash has since been extended to half the number of development blocks (i.e. above 2500 blocks) by Govt. of India. The system was envisaged to be extended during 1990-91 to the blocks having proper infrastructural facilities, backward and forward linkages pre-disbursement counselling and post-disbursement follow-up and supervision including visits for verification of the utilisation of the assets by the implementing agencies.”

8.3 The Chairman of the Committee highlighted his deep concern over the fact that under the IRDP Loans for livestock; funds were being misappropriated while there no assets were being created. This was a sheer wastage of Government funds. The concern of Chairman was shared by the whole Committee.

8.4 It was desired to know from the witness as to how the poor SC/ST people could be benefitted without a project or asset by simply distributing money to people and there by making them idle.

8.5 A query was raised before the witness as to whether they had got any complaints about this or did they know anything about this, the witness replied in the affirmative.

8.6 The witness further substantiated:

“...So, this abuse has come to light many times. The sample study made by the Govt. of India revealed this abuse.”

8.7 The Committee desired to know as to how did the Ministry of Finance propose to have a check on this or devise the means as to how to deal with this problem, the representative of the Ministry of Finance submitted:

“In all the schemes the State Governments are involved. The Schemes are formulated and implemented in association with State

agencies and the State agencies have got much manpower to monitor all these things.

In the rural branches of our banks, we do not have such a large network of people to follow up on these matters. We do have Field Officers who make research with the borrowers as to whether assets have been created and so on. But, we do not have large man power."

8.8 The witness further clarified:

"So long as we were having the disbursement mainly in terms of kind, misuse was there, but it was very limited because the Field Officer used to be there and the doctor also used to be there. There was some anomaly and in some cases double financing was there. But that was not in a very big way."

8.9 The Committee pointed out:

"You have verified it before the payment. But after making payment, you have not verified whether the animal is with him or not.

You say that the Field Officers are subsequently instructed to see that the money is recovered. But they never verify it because they are involved in it."

8.10 The representative of the State Bank of India replied that in a large number of cases the animals were being sold away.

8.11 The witness submitted over the issue:

"Whenever we get such complaints on defrauding the public institution, we refer those complaints to the CBI. But the number of complaints is so much that CBI is also helpless."

8.12 The Committee pointed out:

"Since now you have identified one of the reasons for the misues of funds, have you ever raised this matter for the review of instructions given earlier."

8.13 The witness reacted:

"In all meetings, we have been telling the Ministry about this."

8.14 The Committee desired a specific commitment from the witness the issue.

8.15 The witness responded:

"Khusoro Committee were appointed and they closely examined this. Their finding was that the staff was less. For one man it was very difficult to supervise 500 accounts."

8.16 The Committee expressed their views.

“I am telling you about combined effort physical verification has to be done by DBO, District Development Officer as well as Bank Officer. To that extent, they will have to see how many cases would be supervised from the bank, how many by the DBO.”

8.17 The Committee pointed out:

“Money is financed by the bank. You have to get back the money. BDO does not get back the money. He only give subsidy money.”

8.18 The representative of the Ministry of Finance reacted:

“We will write to the State Governments to Cooperate.”

8.19 The Committee expressed their view that when the payments are made direct to the beneficiaries, this was one benefit in that no middleman would be there and the beneficiary can directly purchase the animal and there was no doubt about that. The Chairman raised this concern that in tribal areas owing to social backwardness and illiteracy certain people were given to the habit of drinking and were consequently, indebted to liquor vendors or like that and a danger was involved here that they misappropriate whatever loan amount they got or waste it in the process and after sometime they were left with no balance.

8.20 To this, witness reacted:

“I am myself grouping for a solution to this problem. We are going to see that our banker improves his performance. But there are many other factors in that areas whether it is the middlemen or the so called social worker who spends a portion of money and the rest he puts it into his assets. Assets become non-productive and he remains indebted.”

8.21 The Committee observe that under the IRDP (Integrated Tribal Development Programme) the banks were providing loans in cash for live stock assets like Cow, Buffaloes, etc. wherein, the Bank Officers made payment to the supplier of the animal in the presence of Tribal Welfare Extension Officer and the Veterinary Doctor. It has been a common experience of the Committee that such loans were being given fictitiously with the connivance of the middleman and the authorities concerned, whereas no assets were being created and the money was being taken away by the middleman and other concerned by paying only a small portion of amount to the socially backward beneficiaries which include SCs and STs also and the entire burden of loan falls over them. The SBI has also reported to the Committee during the course of evidence that sample study made by the Government also revealed that this abuse was prevalent and the bank has also noticed it and they have been telling the Ministry of Finance about the same during the course of meeting with them.

8.22 The Committee feel that there was apparently lack of vigilance on the part of bank officers in physically verifying the assets under the programme and especially the post disbursal monitoring of the assets was not being carried out properly. This concern of the Committee had been shared by the representative of the Ministry of Finance repeatedly during the course of evidence.

8.23 The Committee do not subscribe to the view advanced by the Ministry of Finance that for want of sufficient field staff it was very difficult to supervise all the accounts.

8.24 The Committee very strongly recommend to the Ministry of Finance to make all the necessary arrangements to ensure that under IRDA loans, particularly the loans for live stock in the backward areas, physical verification of the assets as well as post disbursal monitoring of loans are made compulsory and binding. They further recommend that under such loans the presence of the middleman/supplier should be eliminated and the entire loan amount should be given direct to the beneficiary. On the condition to purchase the animal of any other asset for which the loan has been sanctioned within one month. The Committee also suggest that deterrent action should be taken against such bank officers who are found guilty of collusion with the middleman or for that matter any other party.

(b) Banking Schemes for Tribals

8.25 In the written information furnished to the Committee, it has been stated by SBI that:

“We have advised our Branches to give due weightage in various credit programmes to SCs/STs and also to formulate special bankable schemes suited to members of these communities with a view to ensuring larger flow of credit for their self-employment ventures.”

8.26 In a post evidence query when asked to furnish a list and other details of the Banking Schemes suitable for Tribals which have been formulated by the SBI Institute of Rural Development, Hyderabad and Bhubaneswar Circles, it has been stated that SBI have not formulated any special/separate scheme for tribals. As regards formulation of scheme by Bhubaneswar Local Head Office, they have evolved the following schemes/programmes for the benefit of SC/ST:

(Rs. in lacs)

Sl. No.	Name of the Scheme				
1.	Pilot Project for dry land development in Sundargarh district.	ST	52.00	45.00	2051
2.	Scheme for Sahai grass plantation in Betnoti Block of Mayurbhanj District.	ST	2.29	1.00	56
3.	Scheme for financing traditional marine fishermen for purchase of boats and nets under Bay of Bengal Prog.	SC/ST	8.25	6.46	81

(Rs. in lacs)

Sl. No.	Name of the Scheme				
4.	Scheme for Motorisation of country crafts.	SC/ST	12.00	6.93	42
5.	Financing of STs through Gram Vikash Dev. Society Kumudabhai, Kalahandi.	SC/ST	19.50	12.50	1200
			94.04	71.89	3430

8.27 The Committee note with appreciation that State Bank of India have advised their Branches to give due weightage to SCs/STs in various credit programmes and also to formulate special bankable schemes suited to members of these communities and that in fact the members of these communities and that in fact the Bhubaneswar local Head Office of the State Bank of India have evolved certain schemes for the benefit of SCs/STs, for their benefit should be formulated by other offices of the State Bank of India also.

(c) Revision of Criterion for Loans under IRDP

8.28 Small farmers with land holdings upto 5 acres of dry land or 2.5 acres of Class I irrigated land are eligible for getting loans under IRDP, annual family income should not exceed Rs. 11,000/-.

8.29 During the course of evidence, the Committee raised queries as to eligibility conditions for lending under IRDP. The Chairman of the Committee, *inter-alia* made the following observations:

“Under this IRDP Scheme, eligibility criteria has been laid down. Somewhere it is said that the annual income should be less than Rs. 11000 and somewhere it is said that five acres of dry land of 2.5 acres of irrigated land etc. I would like to seek your clarification on this.

As regards land, you have already said that applies to rural areas. So, land is taken into account for agriculturists. Rs. 11000 condition is taken into account for those who do not have land, those who have got land up to 5 acres, are taken into accounts and those donohave land, their income is calculated from other sources. So, these people come under the purview of IRDP, DRI, etc. My point is that most of the loans go to the agriculturists.”

8.30 The witness responded again:—

“There is a cut off point down by the Rural Department. Even this Rs.11,000 used to be Rs. 8000 and even Rs. 5000. This has been raised from time to time, whereas land has been kept more or less, constant at 2.5 acres. So, the Rural Department has gone into it and after great deal of consideration, they have fixed five acres for dry land and 2.5 acres for wet land.

In the rural sector, considering the number of landless labourers and artisans, the land owners are much better off. Landless labourers and artisans are covered for getting subsidy."

8.31 To this the Chairman of the Committee reacted:

"Do you mean to say that the people who own land commit sin? The small shopkeepers are better than the land owners."

8.32 the representative of the Ministry of Finance attempted to clarify:

"The shopkeepers are better off, but there is a distinction here."

8.33 The Chairman reacted:

"I do not agree with your argument. The people who own 5 acres of land go for work in the road, because they only get food for three or four months from their land, you should give your point of view on this whether it is reasonable or not."

8.34 The representative of the Ministry of Finance commented:

"I am not concerned to comment about it but I will convey the feelings of the Committee to the Department of Rural Development."

8.35 The Committee finally commented:

"It is not helpful to everybody, because income varies from place to place and the poor people are devoid of this privilege in the backward areas. Simply giving loans to them will not help. You have to give them some subsidy."

8.36 The Committee observe that under the present eligibility criteria fixed for lending under IRDP poor people in the backward areas are being left out of the purview of the scheme for lending. They are also denied the benefit of subsidy owing to the regional difference in earnings from the land holdings etc. across the country. The Committee recommend that the present criteria for making advances under the IRDP should be reviewed pragmatically keeping in view the earnings from land in different areas of the country so as to ensure that the poor people in the backward areas are not denied the benefit of the loan as well as subsidy under the programme.

(d) Raising Project cost limit under IRDP

8.37 Integrated Rural Development Programme (IRDP) has the following aims and objectives:

The Scheme: To assist families living below poverty line in rural areas by providing income generating assets to take up self-employment ventures in rural industries, small business and allied agricultural activities.

Eligibility: Small farmers with land holding upto 5 acres of dry land 2.5 acres of class I irrigated land.

Annual Family Income: Not to exceed Rs. 11,000/-.

Subsidy: 25% to 50% of loan amount.

- i) Maximum Rs. 4,000/- per family (Drought Prone Area Project).
- ii) Maximum Rs. 3,000/- per family (Non. DPAP Areas).
- iii) Maximum Rs. 5000/- per family- SC/ST, handicapped beneficiaries."

8.38 The Committee pointed out that under DRDA (a part of IRDP, a programme of the Ministry of Rural Development) and ITDA (a part of ITDP/ Integrated Tribal Development Programme, a programme of the Ministry of Welfare), the project cost limits were the same, whereas, the annual family income criterion under DRDA was 'the poverty line limit' (which has now been raised to Rs. 11,000/- from 6,400/- by the Planning Commission. Further, under ITDA the annual family income criteria was double the poverty line limit. During the course of evidence, the Committee raised a query as to why the project cost under IRDP had not been revised when the annual family income limit (poverty line limit) under the scheme was raised from 6,400/- to 11,000/-.

8.39 The witness submitted:

"Sir, we do not have the information now. The programme which the banking sector finances includes IRDP also."

8.40 The Committee enquire from the witness that suppose a person wanted to have tubewell or an irrigation well for which he applied for a loan of Rs. 40,000 but he got only rupees 10,000 for the same, how will it help him.

8.41 The representative of the Ministry of Finance responded:

"I think we need to revise the norms and standards. They must be requested to look into this issue. As the Chairman pointed out there is a case for revision of norms."

8.42 The Chairman observed:

"After 1st April, this increase has come, that is, Rs. 11,000. Previously, it was Rs. 6,400. Most probably, they have not given the increase in the project cost as also the subsidy."

8.43 To a query by the Committee as to who has increased the poverty line from rupees 6,400 to rupees 11,000, the witness replied that Planning Commission has done it.

8.44 The representative of the Ministry of Finance clarified:

"The implications are there. The Planning Commission also comes into the picture. Because once you increase the project size, the subsidy element in the project also comes up. That means, the Planning Commission should provide increased Budget to the

Ministry of Rural Development for taking care of the increased cost of the project,”

8.45 During the evidence it was again stressed that while reviewing the poverty line limit by the Planning Commission, the project cost limit under the scheme also should have been increased.

8.46 The representative of the Ministry of Finance further clarified:

“As I said, the Banking Division in the Ministry of Finance does not finalise these things. It is finalised by the Planning Commission, the Ministry of Rural Development and the Ministry of Finance (Deptt. of Expenditure). They have to really sit together and finalise it. We are not involved in exercising the finalisation of norms.”

8.47 The representative of the Ministry of Finance gave an assurance that they would ascertain the position from the Ministry of Finance, Ministry of Rural Development and Planning Commission as to what were their views on that.

8.48 The Ministry of Finance was given one month's time by the Committee to give the exact position in this regard.

8.49 In a post-evidence reply to the question of raising of the present limit of loan of Rs. 10,000/-, it has been submitted:

“The Ministry of Rural Development is of the view that the norms fixed for both farm and non-farm loans under IRDP required to be revised in view of the escalation of costs and situation in the field. They are considering the matter in consultation with the Reserve Bank of India.”

8.50 The Committee noted with great concern that the poverty line limit to judge the eligibility for credit facilities under IRDP (Integrated Rural Development Programme) has been raised from Rs. 6400/- to Rs. 11000/- by the Planning Commission without making any corresponding changes in the project cost limit to be covered under the scheme. The Committee have been informed that the Ministry of Rural Development are of the view that norms fixed for farm and non-farm loans under IRDP are required to be revised in view of the escalation of the cost and situation in the field and the matter is being considered in consultation with the Reserve Bank of India.

8.51 The Committee recommend to the Ministry of Finance to pursue the matter vigorously with all the concerned Departments so as to ensure that the norms are revised in a definite frame work of time and also to ensure increased credit amount to SC and ST communities under IRDP as they form a major target group for lending under the scheme.

(e) Loan Applications

8.52 It has been stated by the SBI that they have received 87178 loan applications from all categories of borrowers; out of which 54819 cases were sanctioned. The share of SC/ST beneficiaries amounts to 22.92% in the number of loan proposals sanctioned.

8.53 Asked as to whether the SBI had made any specific study regarding the reasons for rejection of loan applications of Scheduled Castes/ Scheduled Tribes, the Committee were informed:

“No. However, the suggestion has been accepted for future reference.”

8.54 During the evidence the Committee categorically desired to know as to why a survey regarding the reasons for rejection of loan applications had not been conducted by the SBI during the past, the representative of the Bank stated:

“According to the reports which are required to be submitted by the banks to the RBI, we get a composite picture. There is no separate picture.”

8.55 When the Committee desired to know further during the course of evidence whether such survey had never been conducted by the Bank, the representative of the SBI mentioned that previously, it was not conducted and only after the Committee had asked the Bank for the same, the information was collected by the Bank.

8.56 As regards the collection of such data by the Finance Ministry, the witness replied:

“The number of applications we have received at the bank level, we have note that information.

8.57 During the course of evidence the Committee desired that a micro-level evaluation of the loan applications of SCs and STs outlining the kind of rejection of loan applications taking place, reason for low number of applications, from where do the applicants come and whether the loan was given to them, the type of people apply, to which age group they belong and allocation of amount, reasons for which they want the loan, who were the people receiving the loans and how the loan amount was filtering down and how it is disbursed etc.

8.58 The Committee pointed out that they were interested in the broad spectrum/overall picture of what was happening to SCs and STs so as to analyse actually what was the position. Because, unless it was done how could it be known as to whether the policy corrections had been made or not.

8.59 The Committee stressed the need for taking such a survey/study which should have been taken even quite earlier. The witness reacted to the suggestion by saying that the cases for study had been identified.

The witness responded:

“There are a lot of agencies at the district and block levels. There are Scheduled Caste Welfare Corporations who are sponsoring applications to the banks and the banks are doing a credit appraisal and sanctioning the loans.”

8.60 During the evidence the Committee mentioned that perhaps the bank had not really bothered so far as to what had been going on at the ground level with SCs and STs. The Committee expressed their view that it was not the Scheduled Corporation but the Bank which was supposed to carry out such a survey/study by itself.

8.61 In the post evidence query as to whether the Government/SBI/RBI proposes to undertake such a study it has been submitted by the Ministry that State Bank of India has reported that they propose to undertake a survey of the type envisaged/suggested by the Parliamentary Committee during the 3rd quarter (October-December) of 1992-93. The focus of the survey will be on the types of SC/ST borrowers activities financed, success/failure rates and causes thereof and finally to what extent bank finance helped this category of people to improve their annual income and standard of living. Survey will cover operation of the various credit schemes scope for improvement besides analysis of reasons for rejection of applications.

8.62 The Committee observe that neither the SBI nor the Ministry of Finance (Banking Division) of the Reserve Bank of India has conducted any survey analysing aspects of loan applications from the Scheduled Castes and Scheduled Tribes. In a post-evidence reply, the Committee have been informed that SBI proposes to undertake a survey of the type envisaged/suggested by the Committee, during the 3rd quarter (October-December) of 1992-93. The Committee recommend that the proposed survey by the SBI in regard to the loan applications should reflect abroad spectrum of the picture of loan applications from SCs and STs as has been suggested by the Committee during the course of evidence.

8.63 The Committee further recommend, that the Ministry of Finance (Banking Division)/Reserve Bank of India should take up the type of survey suggested by them during the course of evidence of SBI in regard to the loan applications. The Committee would further like to be apprised of the outcome of the proposed survey to be conducted by the SBI in regard to the loan applications.

(f) Recovery Position of Loans Under Different Schemes from SCs/STs

8.64 Data regarding recoveries of loans under DRI was furnished to the Committee as under:—

Period	Recoveries from SC/ST beneficiaries	Recoveries from other beneficiaries
April, 1988 to April, 1989	55.60%	57.92%
April, 1989 to March, 1990	49.99%	74.10%
April, 1990 to March, 1991	64.93%	55.19%

8.65 The Committee observed from written replies furnished to them that separate data on recoveries made from SC/ST was not with the SBI, as there was no system of collecting the same under the present system of maintaining the data in vague. Consequently, the information was not made available to the Committee.

8.66 During the course of evidence a point was made by the Committee that, if the information, that the recoveries from general public or from SC/ST were almost the same was given wide publicity, it will do immense good to the country. There could be public support for these programmes and more encouragement for assisting financially the SC/ST people.

8.67 The Committee note that under the present system of maintaining data regarding recoveries of loans from the borrowers under different schemes, the separate information regarding recovery position from SCs and STs was not being monitored under all the schemes except under the DRI Scheme. The Committee feel that with the technology available at the disposal of the Banks, there should not be any difficulty in maintaining such an information.

8.68 The Committee recommend the Ministry of Finance that such information regarding the recovery position from the SC and ST borrowers should be maintained by all the Public Sector Banks including SBI so as to bring out a clear picture regarding the recovery position from SCs and STs under different schemes.

8.69 The Committee further note from the data furnished to them that the recovery position from SCs and STs borrowers was as good as the borrowers from the general category under DRI. It is a general experience of the Committee as well that the recoveries from SCs and STs borrowers are nearly the same as that of the borrowers from the general category. The Committee further recommend that the banks should invariably include a

column in their Annual Reports highlighting the recovery position from the SCs and STs borrowers, which, the Committee feel would in turn help in mobilising more public support for these programmes and more encouragement for assisting financially the SC/ST people.

(g) Training to Bank Officials by SBI to Identify and Implement Banking Schemes Suitable for Tribal Areas

8.70 It has been stated in a post evidence reply:

“SBI has been giving inputs through various training programmes to our operating staff, with special attention to re-orient their attitude for assisting the economically weaker sections of the society including the SCs/STs. In this direction State Bank Institute of Rural Development, Hyderabad have designed a special training programme for our officers on financing of tribals with a view to implementing suitable banking schemes for their development. The focus of this programme is on developing the skills of the operating staff, to identify and implement such of the Bank’s schemes which could be specially suited to tribal areas, our Bhubaneshwar Circle has already conducted one such programme recently.”

8.71 It has been stated in a Post Evidence reply that SBI has conducted 5 programmes on tribal development in the last two years and 103 officers from various branches located in tribal areas in different States were imparted training. Further one additional programme had been started from December, 1992.

8.72 To ensure that this training programme is conducted on an on-going basis, the SBI Institute of Rural Development, Hyderabad, have slated two programmes in each half of the year.

8.73 In reply to a post evidence query by the Committee as to furnish further details on the subject, the SBI has furnished the following information:

“PROGRAMME FOR TRIBAL DEVELOPMENT

(Programme for Financing Tribals)

COURSE DESIGN

Target Group	Field Officers/RDOs, Branch Managers/Managers of Divisions/RDMs.
Objectives	<ol style="list-style-type: none"> (1) To bring about attitudinal changes. (2) To impart knowledge of Tribal sociology, psychology & economy. (3) To develop the skills of identification for formulation and implementation of areas specific schemes in co-ordination with various developmental and research agencies.

Duration : 8 days (30 sessions)".

8.74 The Committee appreciated that SBI Institute of Rural Development, Hyderabad designed a programme for SBI Officers on financing of tribals with a view to implement specially suitable banking schemes for tribal areas for the development of the tribals and SBI has conducted in the last two years. It is also being ensured by the SBI that the programme is conducted as on on-going basis.

8.75 The Committee desire the SBI to maintain this tempo in future also and they recommend that such training programmes for SBI officers on financing of tribals should be designed by other circles of SBI, also.

APPENDIX

(Vide Para 4 of the Introduction)

Summary of Conclusions/Recommendations contained in the Report

Sl. No.	Reference to Para No. in the Report	Summary of Conclusions/Recommendations
1	2	3
1.	1.10	The Committee appreciate that the State Bank of India is having two Members belonging to Scheduled Castes and Scheduled Tribes on its Board. The Committee expect that the State Bank of India authorities will follow the same practice in future appointments also in view of the fact that it is administratively possible for them to do so.
2.	2.20	The Committee note with deep concern the existing backlog of 235 Scheduled Castes and 238 Scheduled Tribes in the clerical cadres which is also a feeder cadre for promotions to the officers cadre as on 30.6.1992 in SBI despite the three special recruitment drives conducted by the Bank during 1989, 1990 & 1991. The backlog also exists in the Officers cadre as well as subordinate cadre. As regards the Backlogs in respect of ST in the feeder cadre the Committee concur with the views of Bank expressed during evidence that 'One thing required was to give STs intensive Training'.
3.	2.21	The Committee have been further informed that during the Special Recruitment Drive in 1989, the SBI brought the backlogs almost to the nil point because the Government instructions at that time were that irrespective of the vacancies, the Bank could recruit the people to clear the backlog in SC/ST categories of posts and the Bank went beyond the 50% rule. These vacancies were to be adjusted against the vacancies arising in the future.

1	2	3
4.	2.22	<p>The Committee recommend to SBI that the backlogs existing in all the categories of posts should be liquidated within one year on top- priority basis as has been assured by the representative of the Ministry of Finance during the course of evidence and for the purpose, various ways and means should be devised by the SBI so that the Bank can start with reservations on a fresh slate. The Committee while very seriously viewing the backlog of Scheduled Tribes in the clerical cadre recommend that the State Bank of India should make proper and comprehensive arrangements for the intensive training of Scheduled Tribe categories <i>i.e.</i> for the pre-recruitment, pre-promotion, in-service as well as the post-promotion training, as has been admitted to by the representative of the State Bank of India during the course of evidence. For this purpose the Committee stressed that if necessary, Special Recruitment Drive exclusively for Scheduled Tribes should also be undertaken by the State Bank of India.</p>
5.	2.33	<p>The Committee note with great concern that there had been huge shortfall in promotions of SCs and STs during all the 3 years from 1989 to 1991 in State Bank of India for promotions from clerks to JMGSIs, the reasons for which have been explained in detail to the Committee. The Committee have been told that in Madhya Pradesh, the promotion process will be starting shortly and in a few circles <i>viz.</i> Delhi, Hyderabad, Chandigarh and Patna, no promotion exercise could be carried out during 1990 & 1991 owing to non-availability of vacancies.</p>
6.	2.34	<p>The Committee find that certain relaxations such as fixing separate eligibility criteria, period of service, relaxation in pass percentages, etc. being given to SC/ST candidates. The Committee while appreciating these steps being taken to remove</p>

1	2	3
		<p>shortfall in promotions recommend that in Madhya Pradesh, the promotion process should be started without any further loss of time and in Delhi, Hyderabad, Chandigarh and Patna circles, as soon as possible the vacancies should be identified to effect promotions. They further desire that State Bank of India should ensure that the huge shortfalls existing in the promotions of SC/ST candidates from clerks to JMGSI are removed within a stipulated framework of time.</p>
7.	3.4	<p>The Committee feel that the reply given by the Ministry of Finance (Banking Division) in respect of the necessity of the half-yearly review of implementation of Reservation Policy by the State Bank of India is self-contradictory and unacceptable.</p>
8.	3.5	<p>The Committee are strongly of the view that if the review of implementation of Reservation Policy in Dena Bank could be made on half-yearly basis, then there is no reason why a similar half-yearly review in the State Bank of India or for that matter the Banking Industry as a whole could not be made. The Committee accordingly recommend that the Ministry of Finance should make a uniform policy in respect of review of implementation of Reservation Policy for the Banking Industry as a whole including State Bank of India and in their opinion such a review should be made on half-yearly basis as it would enable the Board to take corrective action during the course of the year, if required.</p>
9.	3.8	<p>The Committee observe that the transfer and postings in State Bank of India are made keeping in view the administrative requirements and exigencies of the Bank and any specific complaint from SC/ST officials of harassment on account of untouchability being in practice at a particular centre is attended to sympathetically.</p>
10.	3.9	<p>The Committee feel that sympathetic consideration of the complaints of harassment from Scheduled Caste/Scheduled Tribe Officials on account</p>

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		<p>of untouchability being in practice at a particular centre is not enough and it is essential that the State Bank of India should strive to ensure that SC/ST officers are not posted or transferred to such centres.</p>
11.	3.11	<p>The Committee note with utter dismay that out of a total number of 176 officer posted abroad in the foreign branches of SBI during the years 1989, 1990 and 1991, only 3 officers belonged to Scheduled Caste and Scheduled Tribe categories. The Committee strongly recommend that while making postings abroad, State Bank of India should ensure that a fair proportion should be given to the Officers belonging to SC/ST categories so that they too have fair opportunities of exposure to the functioning of the foreign branches of the Bank.</p>
12.	3.20	<p>The Committee have been informed by SBI during evidence that parameters for promotions are discussed with the recognised union of all the employees and for that matter no separate discussions are held with the SC/ST Employees' Associations and these Associations are not a party to the discussions. It has been clarified further that a representative of SC/ST or Liaison Officer for SC/ST is associated in discussions/negotiations regarding administrative details of parameters of promotions with the recognised Unions/Federations of the employees.</p>
13.	3.21	<p>The Committee feel that the existing arrangement in the SBI regarding holding discussions/negotiations with the recognised Unions/Federations of the employees' regarding parameters of promotions is insufficient. The Committee recommend that before discussing/negotiating the administrative details regarding parameters of promotions with the recognised Unions/Federations, the management should have a dialogue with the SC/ST Employees' Associations on structural points which have been agreed to by the representative of the SBI too during the course of evidence.</p>

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14.	4.3	<p>The Committee note with satisfaction that in SBI Scheduled Caste/Scheduled Tribe Cells have since been created at 13 Regional Offices which are located at stations other than their respective zonal Offices when the Committee took up the matter with the State Bank of India. The Committee recommend the SBI to ensure that these Scheduled Caste/Scheduled Tribe Cells are suitably manned to ensure their smooth functioning and the Central Office Cell should also have SC/ST representation.</p>
15.	4.6	<p>The Committee note that so far in-depth examination on the implementation of the Reservation Policy in the Public Sector Banks/ Financial Institutions has been conducted by the Ministry of Finance, Department of Economic Affairs—Banking Division in respect of 16 banks/ financial institutions as recommended by this Committee in 1986. The Committee are surprised to note that so far such study in respect of SBI which is a foremost and leading bank has not been conducted by Banking Division. They feel that the 'in-depth examination' should have been rather started with the SBI. The Committee, therefore, recommend that the Ministry of Finance, (Department of Economic Affairs—Banking Division) should conduct in-depth examination of SBI in the near future on top priority basis.</p>
16.	4.10	<p>The Committee regret to observe that the Board of Directors made no comments about the backlog position in State Bank of India in respect of Scheduled Castes and Scheduled Tribes at the time of Annual Review of the implementation of the Reservation Policy by the State Bank of India wherein certain memoranda on Scheduled Caste/ Scheduled Tribe matters were considered.</p>
17.	4.11	<p>The Committee feel that the 'Backlog' by itself constitutes an extremely important item when the agenda on Scheduled Caste/Scheduled Tribe matters is to be considered. The Committee therefore expect the Board of Directors to pay its utmost attention on</p>

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		<p>this item and also to make specific comments/ observations so far as backlog position is concerned.</p>
18.	4.17	<p>The Committee find that though the Liaison Officers in SBI annually conduct inspection of rosters maintained in the respective offices under their charge yet very serious discrepancies occur in the maintenance of the rosters for SCs and STs at various level. For an instance; one such discrepancy had been noted by the Ministry of Finance following the visit of the Parliamentary Committee to Bhubaneshwar local head office of SBI.</p>
19.	4.18	<p>The Committee have been further informed that Bankers' Training College of Reserve Bank of India, the Banking Division and also the SBI itself conducts training programmes for officials of the banks on reservation matters at various levels. The Committee regret to note that in spite of such comprehensive arrangements available with various bodies, the serious lapses in the maintenance of rosters are featuring frequently which is detrimental to the interests of SCs and STs. The Committee recommend the SBI to take serious note of such lapses and arrange for intensive training of their Liaison Officers/Officers on reservation matters at various levels so as to equip them properly on reservation matters and also to avoid recurrence of such serious lapses in the maintenance of rosters for SCs and STs.</p>
20.	5.8	<p>The Committee conclude that the information regarding the success ratio amongst the persons imparted pre-recruitment training, particularly in respect of SC/ST candidates is not being monitored in the information system in vague at present, for want of which, it is difficult to ascertain the positive impact of such training on SC and ST candidates. In their opinion the whole exercise is meaningless if the end result is not known. The Committee, therefore, recommend to the Ministry of Finance that such an information in respect of pre-recruitment training should be duly maintained so that the success ratio, reasons for poor performance and remedial measures are co-related and follow up measures are</p>

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		<p>formulated. They also recommend that SBI should make it a regular feature to analyse the data relating to the SC/ST persons imparted pre-promotion training to SCs and STs as well so as to ascertain the efficiency of training programme.</p>
21.	5.9	<p>The Committee further consider the present duration of six days for pre-recruitment/pre-promotion training as insufficient. The Committee are unable to agree with the argument advanced by the Ministry of Finance in their reply that in exercise of this type, candidates can be only made aware of the nature of the questions asked and how to face the Interview Board and that it is not possible to upgrade their basic knowledge. The Committee feel that the criterion for increasing the duration of these training should be the social backwardness of the SC/ST candidates rather than covering the curricula within 6 days. The Committee find that the backlog of vacancies in reservation for SC/ST has not been wiped off due to non-availability of adequate number of SC/ST candidates who are unable to qualify in the recruitment examination. This is apparently on account of short duration of pre-recruitment training which is imparted to the SC/ST candidates only for the duration of six days. The Committee, therefore, strongly recommend that the present duration of pre-recruitment training should be increased from six days to one month so as to equip the SC/ST candidates in a better way for qualifying in the recruitment examination conducted by the Banking Service Recruitment Boards. They further recommend that the present duration of the pre-promotion training programme should also be suitable increased.</p>
22.	5.10	<p>The Committee would like to place on record their appreciation for the post-promotion training being provided to SCs and STs in the SBI and hope that the good work in this direction will continue to be maintained.</p>
23.	5.13	<p>The Committee regret to note that the number of SC and ST officers and clerks imparted in-service training had been very low during the last two years</p>

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		<p>in SBI despite the advice by the Central Office of SBI to all its local Head Offices on 7th October, 1991 and 3rd April, 1992 to provide adequate opportunities to the SC/ST employees for attending institutional training programmes conducted at Staff Training Centres and Apex Colleges/Institutions. The Committee expect the SBI authorities to make all out efforts to ensure that there is sufficient proportion of SC and ST officers amongst the officers as well as clerks to be imparted in-service training so that this training equips them in large numbers to deal with the in-service matters in a better way.</p>
24.	5.16	<p>The Committee have been informed that the SBI have initiated the process of preparing a perspective plan for the recruitment of SCs and STs in various cadres during the next five years as per the extant Government guidelines dated 6.8.1992 on the subject.</p>
25.	5.17	<p>The Committee while appreciating the Government guidelines on the subject recommend that, based on the same analogy, the Ministry of Finance should issue guidelines to the other Financial Institutions, as well under their administrative control, so that they also prepare a perspective plan for the recruitment of SCs and STs in various cadres for the next five years in order to ensure that the number of vacancies falling due are recorded in time and also to avoid recurrence of shortfalls and backlog in the recruitment of SCs and STs in various cadres.</p>
26.	5.21	<p>The Committee note that 40 posts of Scheduled Caste and 69 posts of Scheduled Tribe vacancies in promotions from clerical to officers' cadre have been dereserved in SBI during 1991 which in their opinion is an extremely large number. One of the reasons stated for resorting to the dereservation of the ST vacancies has been stated to be the low availability of ST candidates in the feeder cadre viz. clerical cadre.</p>
27.	5.22	<p>The Committee feel that such a large number of vacancies of Scheduled Castes and Scheduled Tribes are allowed to lapse over the years due to lack of adequate measures in career planning of SC/ST</p>

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		<p>employees. The Committee therefore, recommend that timely and suitable measures should be taken before hand of ST candidates with the required qualifications are available with the Bank in the clerical cadre <i>i.e.</i> feeder cadre for promotions to JMGI so that the need to take recourse to exchange ST vacancies may not arise in future.</p>
28.	6.5	<p>The Committee find that the BSRBs are finding it difficult to meet the indents for SC/ST candidates for appointment against the skilled posts <i>viz.</i>, Stenographers, Typists etc. in Clerical cadre posts and Specialist Posts in Officers' cadre, <i>viz.</i> Security Officers, Chartered Accountants, Computer Programmers etc., in case of which, even after grouping these posts with the posts of Probationary Officers serious difficulties are arising when these specialists posts are in the higher grades and thus cannot be grouped with the posts of Probationary Officers. The Committee recommend the BSRBs to have a constant Liaison with the apex institutions in the country which are providing necessary trainings for the Chartered Accountancy, Computer Programming etc. so as to make sure that the BSRBs are ready with the sufficient number of SC/ST candidates in hand to cope up with the demand for vacancies of such posts by the Banks including State Bank of India.</p>
29.	6.11	<p>The Committee observe that the initiation of stringent action against those who secured employment in the State Bank of India by the production of false caste certificate has been delayed in 72 cases out of a total of 109 cases owing to the non-receipt of verification reports from the district authorities. However, the matters are being pursued by the Bank with the District Authorities with a view to expedite their reports. The Committee desire that State Bank of India authorities to pursue vigorously the matter with District Authorities so that exemplary punishment to all those who secured employment in the Bank by production of false caste certificates can be awarded by the Bank.</p>
30.	7.10	<p>The Committee note that in SBI the amount of DRI advances to SCs and STs came down from</p>

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		37.44 crores and 33.40 crores during the years 1988-89 and 1989-90, respectively to only 16.14 crores in the year 1990-91. The minimum percentage of DRI Advances to net Bank credit which had been fixed at 1% of the bank aggregate credit advances as at the end of the previous year, as per revised guidelines from the Govt. of India in December, 1978; also could not be achieved by SBI during all these years. This percentage of 1% had not been achieved collectively by the Public Sector Banks as well as during the last three years i.e. 1990, 1991 and 1992 for which many reasons such as difficulty in identifying enough number of eligible borrowers, ceiling on loan amount at Rs. 6,500 for beneficiary, lack of physical targets etc., have been attributed.
31.	7.11	The Committee recommend that the Ministry of Finance should take all the necessary steps to ensure that the performance of SBI and Public Sector Banks is improved under the scheme. They further recommend that the ceiling of loan amount at Rs. 6,500/- per beneficiary under DRI should also be revised.
32.	7.23	The Committee observe with dismay that the total amount of advances made by the Banks under the schemes such as IRDP, SEPUP and SEEUY have gone down from 1988-89 to 1990-91 and the targets laid down for SCs/STs under these schemes had never been achieved in any of the years from 1988-89 to 1991 and particularly in the case of SEPUP and SEEUY Scheme achievement had been far below the targets. This position holds good for State Bank of India as well. The Committee have been informed that non-receipt of adequate loan applications from SC/ST beneficiaries was the main reason for not meeting the targets.
33.	7.24	The Committee recommend to SBI to improve upon its performance in lending to SCs and STs under all these schemes which are very important as these are related to self-employment ventures.
34.	7.25	The Committee also recommend that enough publicity in regard to these Schemes should be given by the Public Sector Banks/Government agencies

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		<p>at the grass root level to improve upon and consolidate their performance in lending to SCs and STs under these Schemes. The Committee further recommend the Ministry of Finance to suitably take up the matter of rejection of applications with all the concerned Government agencies so that these agencies ensure that the applications are not sent to the Banks at the end of the year without proper scrutiny and further it should be specifically seen that the eligibility of applicant/viability of the project has been taken care of as has been reported to the Committee by the Reserve Bank of India.</p>
35.	7.32	<p>The Committee note that the performance of SBI in lending in its Lead Districts does not appear satisfactory when compared to lending by the SBI under various sectors in its Non-Lead Districts. Reasons advanced by SBI to the effect that Lead Districts are mostly in backward regions such as Himalayan Region, North-Eastern Region and tribal areas in Andhra Pradesh, Bihar, Madhya Pradesh and Orissa where the credit absorption capacity was limited are not convincing. The Committee feel that somewhere the SBI has failed to deliver goods completely in its Lead Districts majority of which happen to fall in the under developed Himalayan and North-Eastern regions.</p>
36.	7.33	<p>Further during the course of evidence of the officials of the State Government of Bihar on the subject of Integrated Tribal Development Projects in Bihar, the Committee have learnt that the Bank including the SBI were not very keen on advancing of loans in the State of Bihar and further 75% of the loans in the State were advanced by the private parties and only 4% by the Government Institutions. The witness also accepted during the course of evidence that the credit/deposit ratio in the State of Bihar are low.</p>
37.	7.34	<p>The Committee recommend the SBI to devise ways and means to consolidate upon its performance in lending under the Lead Bank Scheme under various sectors in its Lead Districts which also include Tribal areas in Andhra Pradesh, Bihar,</p>

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		<p>Madhya Pradesh and Orissa and flow of credit in these Districts. The Committee further recommend the SBI to increase the flow of credit in the State of Bihar which includes Lead Districts of SBI also so as to contribute its share in the socio-economic development of the State and also to safeguard the interests of the poor masses.</p>
38.	7.42	<p>The Committee while welcoming the revision made in the Educational Loan Scheme wherein now SC/ST students with pass marks in qualifying examination are eligible to take loan for non-technical/professional school/college education in India, note that the performance of SBI in lending to SCs and STs under the Educational Loans is not at all satisfactory. During the course of evidence the Committee have been informed that as on June 1990, the total number of applications for Educational Loans was 3501 of which , SC and ST applicants were 256 <i>i.e.</i> to the tune of 8% only. The Committee further note that no SC/ST student has been given loan for studies abroad.</p>
39.	7.43	<p>The Committee recommend the SBI to improve upon its performance in lending under the Educational Loan Scheme. They note with regret that no SC/ST student has been given loan for studies abroad by the SBI, a leading Bank. They recommend the SBI to give wide and intensive publicity to its Educational Loan Scheme so as to ensure that it reaches the SC/ST masses.</p>
40.	7.48	<p>The Committee are constrained to observe that under the Housing Finance Scheme the performance of SBI in lending to the SCs and STs had not been satisfactory as the number of accounts of SCs and STs had shown a declining trend during all the years from 1987 to 1990. The Committee feel that this Scheme needs to be popularised amongst SCs and STs and urge the SBI to take immediate steps to ensure that its performance improves under the Scheme.</p>
41.	7.52	<p>The Committee note that under the Scheme for 'Small Road and Water Transport Operations', the</p>

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		<p>performance of SBI in lending to SCs and STs have shown a continuous declining trend both account-wise and amount-wise, whereas the total disbursement under this head to the borrowers of the general category as well as the accounts have been found rising from 1987 to 1990. The reason for this has been stated that 'overdues under this scheme have amounted to a non-acceptable level causing a deceleration in the disbursal amount'.</p>
42.	7.53	<p>The Committee feel that the plea advanced by the SBI for low disbursal of loans under this head does not hold good so far as the SCs and STs are concerned since they form an insignificant part of the total credit under this scheme. The Committee, therefore, recommend the SBI to improve upon its performance in lending to SCs and STs under the Scheme for 'Small Road and Water Transport Operators'.</p>
43.	8.21	<p>The Committee observe that under the IRDP (Integrated Tribal Development Programme) the banks were providing loans in cash for live stock assets like Cow, Buffaloes, etc. wherein, the Bank Officers made payment to the supplier of the animal in the presence of Tribal Welfare Extension Officer and the Veterinary Doctor. It has been a common experience of the Committee that such loans were being given fictitiously with the connivance of the middleman and the authorities concerned, whereas no assets were being created and the money was being taken away by the middleman and other concerned by paying only a small portion of amount to the socially backward beneficiaries which include SCs and STs also and the entire burden of loan falls over them. The SBI has also reported to the Committee during the course of evidence that sample study made by the Government also revealed that this abuse was prevalent and the bank has also noticed it and they have been telling the Ministry of Finance about the same during the course of meeting with them.</p>
44.	8.22	<p>The Committee feel that there was apparently lack of vigilance on the part of bank officers in physically</p>

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		<p>verifying the assets under the programme and especially the post disbursal monitoring of the assets was not being carried out properly. This concern of the Committee had been shared by the representative of the Ministry of Finance repeatedly during the course of evidence.</p>
45.	8.23	<p>The Committee do not subscribe to the view advanced by the Ministry of Finance that for want of sufficient field staff it was very difficult to supervise all the accounts.</p>
46.	8.24	<p>The Committee very strongly recommend to the Ministry of Finance to make all the necessary arrangements to ensure that under IRDA loans, particularly the loans for live stock in the backward areas, physical verification of the assets as well as post disbursal monitoring of loans are made compulsory and binding. They further recommend that under such loans the presence of the middleman/supplier should be eliminated and the entire loan amount should be given direct to the beneficiary. On the condition to purchase the animal or any other asset for which the loan has been sanctioned within one month. The Committee also suggest that deterrent action should be taken against such bank officers who are found guilty of collusion with the middleman or for that matter any other party.</p>
47.	8.27	<p>The Committee note with appreciation that State Bank of India have advised their Branches to give due weightage to SCs/STs in various credit programmes and also to formulate special bankable schemes suited to members of these communities and that in fact the Bhubaneshwar local Head Office of the State Bank of India have evolved certain schemes for the benefit of SCs/STs. The Committee recommend that such schemes based on the local needs of SCs/STs, for their benefit should be formulated by other offices of the State Bank of India also.</p>
48.	8.36	<p>The Committee observe that under the present eligibility criteria fixed for lending under IRDP poor people in the backward areas are being left out</p>

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		of the purview of the scheme for lending. They are also denied the benefit of subsidy owing to the regional difference in earnings from the land holdings etc. across the country. The Committee recommend that the present criteria for making advances under the IRDP should be reviewed pragmatically keeping in view the earnings from land in different areas of the country so as to ensure that the poor people in the backward areas are not denied the benefit of the loan as well as subsidy under programme.
49.	8.50	The Committee noted with great concern that the poverty line limit to judge the eligibility for credit facilities under IRDP (Integrated Rural Development Programme) has been raised from Rs. 6400/- to Rs. 11000/- by the Planning Commission without making any corresponding changes in the project cost limit to be covered under the scheme. The Committee have been informed that the Ministry of Rural Development are of the view that norms fixed for farm and non-farm loans under IRDP are required to be revised in view of the escalation of the cost and situation in the field and the matter is being considered in consultation with the Reserve Bank of India.
50.	8.51	The Committee recommend to the Ministry of Finance to pursue the matter vigorously with all the concerned Departments so as to ensure that the norms are revised in a definite frame work of time and also to ensure increased credit amount to SC and ST communities under IRDP as they form a major target group for lending under the scheme.
51.	8.62	The Committee observe that neither the SBI nor the Ministry of Finance (Banking Division) of the Reserve Bank of India has conducted any survey analysing aspects of loan applications from the Scheduled Castes and Scheduled Tribes. In a post-evidence reply, the Committee have been informed that SBI proposes to undertake a survey of the type envisaged/suggested by the Committee, during the 3rd quarter (October-December) of 1992-93. The Committee recommend that the proposed survey by the SBI in regard to the loan applications should

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		reflect a broad spectrum of the picture of loan applications from SCs and STs as has been suggested by the Committee during the course of evidence.
52.	8.63	The Committee further recommend, that the Ministry of Finance (Banking Division)/Reserve Bank of India should take up the type of survey suggested by them during the course of evidence of SBI in regard to the loan applications. The Committee would further like to be apprised of the outcome of the proposed survey to be conducted by the SBI in regard to the loan applications.
53.	8.63	The Committee note that under the present system of maintaining data regarding recoveries of loans from the borrowers under different schemes, the separate information regarding recovery position from SCs and STs was not being monitored under all the schemes except under the DRI Scheme. The Committee feel that with the technology available at the disposal of the Banks, there should not be any difficulty in maintaining such an information.
54.	8.69	<p>The Committee recommend the Ministry of Finance that such information regarding the recovery position from the SC and ST borrowers should be maintained by all the Public Sector Banks including SBI so as to bring out a clear picture regarding the recovery position from SCs and STs under different schemes.</p> <p>The Committee further note from the data furnished to them that the recovery position from SCs and STs borrowers was as good as the borrowers from the general category under DRI. It is a general experience of the Committee as well that the recoveries from SCs and STs borrowers are nearly the same as that of the borrowers from the general category. The Committee further recommend that the banks should invariably include a column in their Annual Reports highlighting the recovery position from the SCs and STs borrowers, which, the Committee feel would in turn help in mobilising more public support for these programmes and more</p>

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55.	8.74	<p>encouragement for assisting financially the SC/ST people.</p> <p>The Committee appreciated that SBI Institute of Rural Development, Hyderabad designed a programme for SBI officers on financing of tribals with a view to implement specially suitable banking schemes for Tribal areas for the development of the tribals and SBI has conducted in the last two years. It is also being ensured by the SBI that the programme is conducted as on on-going basis.</p>
56.	8.75	<p>The Committee desire the SBI to maintain this tempo in future also and they recommend that such training programmes for SBI officers on financing of tribals should be designed by other circles of SBI also.</p>
